Lambo™
Group Berhad

ANNUAL REPORT

LAMBO GROUP BERHAD

Company No. 200001014881 (517487-A)

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20TH ANNUAL GENERAL MEETING FULLY VIRTUAL MEETING

Date	:	28 October 2021 (Thursday)
Time	:	10.00 a.m.
Online Meeting Platform	:	https://rebrand.ly/LamboAGM

This Annual Report can be downloaded from www.lambogroup.my or alternatively at www.bursamalaysia.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth ("20th") Annual General Meeting ("AGM) of LAMBO GROUP BERHAD ("LAMBO" or "the Company") will be held on a fully virtual basis through live streaming and online remote voting by using Remote Participation and Voting ("RPV") facilities via https://rebrand.ly/LamboAGM provided by the Virtual Meeting Service Provider, MLABS Research Sdn. Bhd. in Malaysia on Thursday, 28 October 2021 at 10.00 a.m. for the purpose of transacting the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 May 2021 together with the Reports of Directors and Auditors thereon.

2. To approve the payment of Directors' fees and allowances of up to RM300,000 for the financial year ending 31 May 2022 payable monthly in arrears after each month of completed service of the Directors during the subject financial year. **(Ordinary Resolution 1)**

3. To re-elect the following Directors who retire in accordance with Regulation 90 of the Company's Constitution:-

   i) KOO KIEN YOON **(Ordinary Resolution 2)**
   ii) KHOR CHIN FEI **(Ordinary Resolution 3)**

4. To re-appoint Messrs CAS Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions with or without any modifications as ordinary resolution:

5. **Proposed Renewal of Authority for Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016 ("the Act")** **(Ordinary Resolution 5)**

   "THAT, subject always to the Act, Constitution of the Company and approval and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 75 of the Act to allot and issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued and paid-up share capital for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

6. To transact any other ordinary business of which due notice shall have been given in accordance with the Act.

By order of the Board

NG MEI WAN (SSM PC No. 201908000801) (MIA 28862)
R. MALATHI A/P RAJAGOPAL (SSM PC No. 201908000851) (MAICSA 7054884)
Company Secretaries

Kuala Lumpur
29 September 2021

IMPORTANT NOTICE ON REMOTE PARTICIPATION AND VOTING:

1. The 20th AGM will be conducted on a fully virtual basis through live streaming and online meeting platform provided by MLABS Research Sdn. Bhd. in Malaysia via its online meeting platform at https://rebrand.ly/LamboAGM.
2. According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, all meeting participants including the Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online. Please refer to Administrative Guide for the 20th AGM in order to register, participate and vote remotely via the Remote Participation and Voting ("RPV") facilities.
3. Members/Proxy(ies) who wish to attend, speak (including posting questions to the Board via real time submission of typed texts) and vote (collectively, "participate") may do so remotely via the RPV facilities. Please follow the procedures provided in the Administrative Guide for the 20th AGM in order to register, participate and vote remotely.

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 21 October 2021 shall be regarded as members and be entitled to attend, participate, speak and vote at the 20th Annual General Meeting.
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
5. Any alterations in the Proxy Form must be initialed by the member.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
7. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:

   In Hardcopy Form

   The proxy form or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Shareworks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via facsimile no. 03-6201 3121 or via e-mail at ir@shareworks.com.my not less than twenty-four (24) hours before the time appointed for holding this meeting (not later than Wednesday, 27 October 2021 at 10.00 a.m.) or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 20th AGM to vote by poll.

   By Electronic Form

   The proxy form can be electronically submitted to the Share Registrar of the Company via ir@shareworks.com.my All proxy form submitted must be received by the Company not less than twenty-four (24) hours before the time appointed for holding this meeting (not later than Wednesday, 27 October 2021 at 10.00 a.m.) or any adjourned meeting at which the person named in the appointment proposes to vote.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO THE AGENDA

8. Item 1 of the Agenda – Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders and hence, is not put forward for voting.

9. Item 2 of the Agenda - Ordinary Resolutions no. 1
Approval of Directors' fees and allowances for the financial year ending 31 May 2022

Directors' fees and allowances approved for the financial year ended 31 May 2021 were RM200,000. The Directors' fees and allowances proposed for the financial year ending 31 May 2022 are calculated based on the number of scheduled Board and Committee Meetings for 2021/2022 and assuming that all Non-Executive Directors will hold office until the end of the subject financial year.

This resolution is to facilitate payment of Directors' fees and allowances on monthly basis and/or as and when required. In the event the Directors' fees and allowances proposed are insufficient (e.g. due to more meetings), approval will be sought at the next AGM for additional fees to meet the shortfall.

10. Item 5 of the Agenda - Ordinary Resolution no. 5
Authority to Allot and Issue Shares pursuant to Section 75 of the Act

(a) The proposed Ordinary Resolution no. 5, if passed, will grant a mandate ("10% General Mandate") empowering the Directors of the Company, from the date of the 20th AGM to allot and issue shares in the Company up to an amount not exceeding in total of ten percent (10%) of the issued shares of the Company (excluding treasury shares, if any) for the time being for such purposes as they may think fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in full force until the conclusion of the next AGM of the Company.

(b) This mandate is a renewal of the previous mandate obtained at the last AGM held on 28 October 2020 which will expire at the conclusion of the forthcoming AGM

(c) As at the date of this Notice, the Company has issued 775,063,300 new shares of RM21,086,709.10 based on the previous mandate obtained at the last AGM held on 28 October 2020.

(d) The 10% General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purpose of funding current and/or future investment project(s), working capital and/or payment of bank borrowings and acquisition.

11. ANNUAL REPORT

The Annual Report for the financial year ended 31 May 2021 is now available at the Company's corporate website, www.lambogroup.my or Bursa Malaysia Berhad's website at www.bursamalaysia.com. Printed copy of the Annual Report shall be provided to the shareholder upon request soonest possible from the date of receipt of the written request.

Shareholders who wish to receive the printed Annual Report, may fax to Shareworks Sdn. Bhd. [199101019611(229948-U)] at fax no. 03-6201 3121 or email your request to ir@shareworks.com.my.

STATEMENT ACCOMPANYING NOTICE OF AGM

(Pursuant to Paragraph 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUAL WHO IS STANDING FOR ELECTION AS DIRECTOR

No individual is seeking for election as a Director at the 20th AGM of the Company.

ADMINISTRATIVE GUIDE

INFORMATION FOR SHAREHOLDERS ON AGM OF LAMBO GROUP BERHAD

Date	:	**28 October 2021 (Thursday)**
Time	:	**10.00 a.m.**
Online Meeting Platform	:	**https://rebrand.ly/LamboAGM**

MODE OF MEETING

In view of the coronavirus disease 2019 ("COVID-19") pandemic and as part of safety measures against COVID-19, the AGM will be held on a fully virtual basis through live streaming and online remote voting by using RPV facilities.

Shareholders are to speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the AGM via the RPV facilities provided by the Virtual Meeting Service Provider, MLABS Research Sdn. Bhd.

RPV – SUBMISSION OF PROXY FORM

The 20th AGM will be conducted entirely through live streaming and online remote voting. Members are encouraged to participate the virtual 20th AGM by using the RPV Facilities.

Individual Members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the 20th AGM.

If an Individual Member is unable to participate the virtual 20th AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the Meeting to participate on his/her behalf and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Corporate Members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the virtual 20th AGM using the RPV Facilities. Corporate Members, who wish to participate and vote remotely at the virtual 20th AGM, shall contact the Poll Administrator, ShareWorks Sdn. Bhd., with the details set out below for assistance and are required to provide the following documents to the Company no later than **10.00 a.m. on Wednesday, 27 October 2021:**

i. Certificate of Appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
ii. Copy of the Corporate Representative's or proxy's MyKad (front and back) / Passport; and
iii. Corporate Representative's or proxy's email address and mobile phone number.

If a Corporate Member (through Corporate Representative(s) or appointed proxy(ies)) is unable to participate the virtual 20th AGM, the Corporate Member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

In respect of **Members** is an **Authorised Nominee and Exempt Authorised Nominee ("Nominee Company")**, the beneficial owners of the shares under a Nominee Company's CDS account are also strongly advised to participate and vote remotely at the virtual 20th AGM using RPV Facilities. Beneficial owner, who wish to participate and vote remotely at the virtual 20th AGM, can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the virtual 20th AGM. Nominee Company shall contact the Poll Administrator, ShareWorks Sdn. Bhd., with the details set out below for assistance and are required to provide the following documents to the Company no later than **10.00 a.m.** on **Wednesday, 27 October 2021:**

i. Form of Proxy under the seal of the Nominee Company;
ii. Copy of the proxy's MyKad (front and back) / Passport; and
iii. Proxy's email address and mobile phone number.

If a beneficial owner is unable to participate the virtual 20th AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

ADMINISTRATIVE GUIDE (CONT'D)

PROCEDURE FOR PARTICIPATING THE AGM

Procedures		Action
Before the AGM		
1.	Register as participant in Lambo AGM	• Using your computer, access the website at https://rebrand.ly/LamboAGM. Click on the Register link to register for the AGM. • Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. • The event is powered by Cisco WebEx. You are recommended to download and install Cisco WebEx Meetings (available for PC, Mac, Android, and iOS). Refer to the tutorial guide posted on the same page for assistance.
2.	Submit your online registration	• Registration for the AGM is open from 5.00 p.m. on Thursday, 29 September 2021 until 10.00 a.m. on Wednesday, 27 October 2021. Registration is mandatory if you wish to attend the said meeting. • Clicking on the link will redirect you to the AGM event page. Click on the Register link to go to the online registration form. • Complete all the necessary information in the registration page. Your name MUST match your CDS account name. • Kindly fill in the CDS account number and indicate the number of shares you have. • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in registration being rejected. • System will send an email to notify that your registration for remote participation is received and pending verification. • After verification of your registration against the General Meeting Record of Depositors as at 21 October 2021, the system will send you an email to notify you if your registration is approved or rejected after 22 October 2021. • If your registration is rejected, you can contact MLABS Research Sdn. Bhd. or the Company for clarifications or to appeal.

ADMINISTRATIVE GUIDE (CONT'D)

On the day of AGM		
3.	Attending Lambo AGM	• Two reminder emails will be sent to your inbox. First is one day before the AGM day, while the 2nd will be sent 1 hour before the AGM. • Click Join Event in the reminder email to participate via the RPV facilities. • Please ensure you have downloaded and installed Cisco WebEx Meetings application before attending the Virtual General Meeting.
4.	Participating with live video	• After chairman greeting, you will be given a short brief about the system. • Your microphone is muted throughout the whole session. • If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. • The session will be recorded. • Please note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	• The Chairman will announce the commencement of the Voting session and the duration allowed at the AGM. • The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given time frame. • Click on the Submit button after you have completed your selection(s). Empty votes will be deemed as abstain. • Votes cannot be changed once it is submitted.
6.	End of remote participation	• Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

Note to users of the RPV facilities:

1. Should your application to join the meeting be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to https://rebrand.ly/LamboAGM on the day of meeting will indicate your presence at the virtual meeting.

2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Enquiry pertaining to registration, logging in and system related matters:
General Line : 03 – 7688 1013
Email : vgm@mlabs.com
Contact person(s) : Mr Bryan / Mr Hong

Enquiry pertaining to proxy forms or other matters:
General Line : 03 – 6201 1120
Email : ir@shareworks.com.my
Contact person(s) : Mr SQ Kou / Mr Vemalan / Ms Maria Fong

CORPORATE INFORMATION

BOARD OF DIRECTORS

HJ. ABDULLAH BIN ABDUL RAHMAN	*Independent Non-Executive Chairman*
ZHUANG GUOHUA	*Executive Director*
KOO KIEN YOON	*Executive Director*
NG CHEE KIN	*Independent Non-Executive Director*
KHOR CHIN FEI	*Independent Non-Executive Director*

AUDIT AND RISK MANAGEMENT COMMITTEE

Committee Chairman

KHOR CHIN FEI

Committee Members

NG CHEE KIN
HJ. ABDULLAH BIN ABDUL RAHMAN

NOMINATION COMMITTEE

Committee Chairman

HJ. ABDULLAH BIN ABDUL RAHMAN

Committee Members

NG CHEE KIN
KHOR CHIN FEI

REMUNERATION COMMITTEE

Committee Chairman

HJ. ABDULLAH BIN ABDUL RAHMAN

Committee Members

NG CHEE KIN
KHOR CHIN FEI

EMPLOYEE SHARE OPTION SCHEME COMMITTEE

Committee Chairman

HJ. ABDULLAH BIN ABDUL RAHMAN

Committee Member

ZHUANG GUOHUA

COMPANY SECRETARIES

NG MEI WAN (SSM Practicing Certificate No.: 201908000801) (MIA 28862)
R. MALATHI A/P RAJAGOPAL (SSM Practicing Certificate No.: 201908000851) (MAICSA 7054884)

REGISTERED OFFICE

3-2, 3rd Mile Square,
No. 151, Jalan Kelang Lama,
Batu 3½, 58100 Kuala Lumpur.
Tel : +603 -7987 5300
Fax : +603 -7987 5200
Email : fancos.general@fancos.com.my

AUDITORS

CAS Malaysia PLT
(LLP0009918-LCA) (AF1476)
Chartered Accountants
B-5-2, IOI Boulevard,
Jalan Kenari 5,
Bandar Puchong Jaya,
47170 Puchong, Selangor.
Tel : +603 -8075 2300
Fax : +603 -8082 6611

SHARE REGISTRAR

Shareworks Sdn. Bhd.
[199101019611 (229948-U)]
2-1 Jalan Sri Hartamas 8
Sri Hartamas 50480 Kuala Lumpur.
Tel : +603 -6201 1120
Fax : +603 -6201 3121

PRINCIPAL BANKER

United Overseas Bank (Malaysia) Bhd

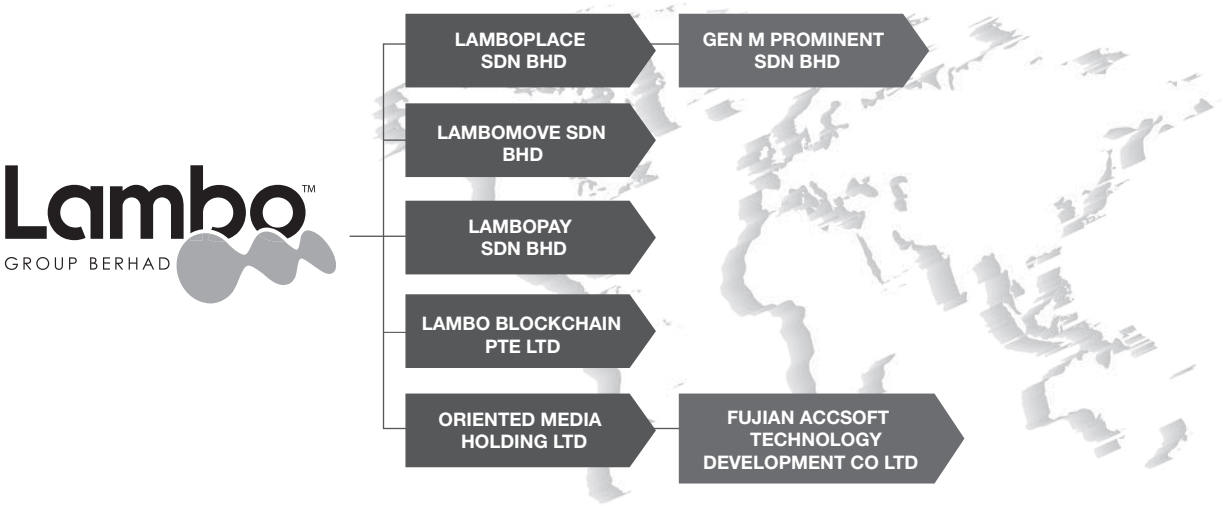
STOCK EXCHANGE LISTING

ACE Market of the Bursa Malaysia Securities Berhad
Stock Name: LAMBO
Stock Code: 0018

INVESTORS RELATION

Web : www.lambogroup.my
Email : corporate@lambogroup.my
Tel : +603 -7805 7911

CORPORATE STRUCTURE



Lambo Group Berhad ("LAMBO" or the "Company") was incorporated in Malaysia under the Companies Act, 1965 on 20 June 2000.

LAMBO is principally an investment holding company whilst the principal activities of its latest subsidiaries are as follow:-

Name of Subsidiaries	Country of Incorporation	Equity Interest (%)	Principal Activities
Lamboplace Sdn Bhd	Malaysia	100	Provision of E-commerce platform and IT consultancy services ("IT Consultancy Services and E-Commerce Services)
Gen M Prominent Sdn Bhd	Malaysia	80	Provision of management consultancy activities, organisation, promotions and/or management of events
Lambomove Sdn Bhd	Malaysia	100	Provision of logistics services ("Logistic Services")
Lambopay Sdn Bhd	Malaysia	100	Inactive
Lambo Blockchain Pte. Ltd.	Singapore	100	Dormant
Oriented Media Holdings Limited	Hong Kong	100	Investment holding
Fujian Accsoft Technology Development Co. Ltd.	China	100	The business scope includes software development, internet information services, business management, consulting services, clothing, shoes and hats, leather products, sporting goods, knitwear, textiles, shoes, daily necessities, food, hardware products, arts and crafts products, electronic products, paper products, sanitary products, building materials, steels, machinery and equipment, chemical products (excluding hazardouce chemicals), wholesale, after-sales service, warehousing services, network design, shoes and textile technology R&D and promotion ("Business to Business Portal")

BOARD OF DIRECTORS' PROFILE

HJ. ABDULLAH BIN ABDUL RAHMAN

Aged 64 I Male I Malaysian

Designation: Independent Non-Executive Chairman
Appointment Date: 29 March 2019
Tenure of service: 2 year 5 months

Hj Abdullah Bin Abdul Rahman graduated with a Bachelor Degree in Business in Business Administration from the University Kebangsaan Malaysia ("UKM").

Hj. Abdullah had a long career path in management with Malayan Banking Berhad ("Maybank"). He has served in various capacities in banking operations and strategic innovation activities at branches. Regionals and head office level of Maybank until his retirement from Maybank in 2012 after 30 years. As Head of Mortgage at Maybank, he was responsible for strategic and operational activities related to mortgage and property under Consumer Banking. His last appointment at Maybank was as the Head of Business Banking (EVP) in charge of small and medium enterprises, commercial and corporate units.

Besides LAMBO, Hj. Abdullah Bin Abdul Rahman also sits on the board of OCR Group Berhad as Independent Non-Executive Director.

Details of Any Other Board Committee:
He also sits on the following Board Committees of the Company:
(a) Member of Audit and Risk Management Committee
(b) Chairman of Nomination Committee
(c) Chairman of Remuneration Committee
(d) Chairman of Employee Share Option Scheme Committee

ZHUANG GUOHUA

Aged 47 I Male I People's Republic of China

Designation: Executive Director
Appointment date: 26 May 2017
Tenure of service: 4 years 3 months

Mr Zhuang GuoHua ("Mr Zhuang") graduated from Donghua University, PRC in 1993 with an Advance Diploma in Business Administration.

Mr Zhuang has 8 years working experience in managing sales and marketing division in listed company. He has good working experience in business and brand strategy management, human resource administration, sales and marketing, and sales of products. He started his career in Jinjiang Qiaoxin Clothing Co. Ltd from March 1994 to June 2002 as general staff and being promoted to vice general manager over the years. He worked as Sales General Manager in Shi Shi Yihua (Cloth) Intertextile from July 2002 to December 2004. He worked in Xidelang Holdings Ltd and mainly in charge the sport attire product development, production control, sales management and e-commerce development from February 2002 to December 2014. He joined Fujian Accsoft Technology Co. Ltd in 2015 as Vice General Manager and he is responsible for daily business development and e-commerce platform, applications pre-operational planning, market research, resources docking and promotions.

Mr Zhuang does not hold any directorships in other public companies.

Details of Any Other Board Committee:
He also sits on the following Board Committee of the Company:
(a) Member of Employee Share Option Scheme Committee

BOARD OF DIRECTORS' PROFILE (CONT'D)

KOO KIEN YOON

Aged 45 I Male I Malaysian

Designation: Executive Director
Appointment Date: 4 April 2018
Tenure of service: 3 years 4 months

Mr. Koo Kien Yoon ("Mr Koo") attended St Michael Institution since May 1993. He earned Certificate in ICM (UK)-Marketing, Business Studies from 1993 to 1994 and Diploma & Advance Diploma ICM (UK) - Business Studies and PR from 1994 to 1996.

Mr. Koo served as Public Relations Officer of Ipoh Specialist Centre from 1996 to 1997. Mr. Koo served as a Product Manager of Amer Sports Malaysia Sdn Bhd from November 2011 to November 2012; Business Development Director of VRC Sdn Bhd & VRC ENT from June 2010 to March 2012; Freelance Consultant of Soo Minn Korea from 2008 to 2010; Business Development Manager of Polyflo Sdn Bhd from 2004 to 2007; Product Manager of Radcoflex Sdn Bhd from 2000 to 2004 and Sales & Marketing Executive of Polyflo Sdn Bhd from 1997 to 2000. Mr. Koo has been Director at Jeratek Sdn Bhd from December 2012 until 2013. He has been an Executive Director at Biosis Group Berhad from 05 March 2013 until 2016. He is managing a retail chain since 2016.

Other than LAMBO, Mr Koo also sits on the board of Vsolar Group Berhad and Joe Holding Berhad as Executive Director and Sinaran Advance Group Berhad as Non-Independent and Non-Executive Director.

Details of Any Other Board Committee:
None

NG CHEE KIN

Aged 52 I Male I Malaysian

Designation: Independent Non-Executive Director
Appointment Date: 28 February 2013
Tenure of service: 8 years 6 months

Mr Ng Chee Kin ("Mr Ng") is currently a financial consultant providing services for private entities and companies. He started his career as Accounts Executive at Asagi Corporation Sdn Bhd from July 1991 to May 1994 and from July 1994 to May 1995 respectively. He also worked as Accounts Executive at Federal Furniture (M) Sdn Bhd from June 1995 to June 1997. He worked as Assistant Accountant/ Accountant at Lovely Phoenix Sdn Bhd from July 1997 to December 1998. He then become Account Manager at Surebest Superstore (M) Sdn Bhd from January 1999 to June 2000. He worked at NAC Corporation Sdn Bhd as Accounts Manager, he subsequently moved to Yuen Chun Industries Sdn Bhd on July 2000 whereby he worked as Assistant Finance & Admin Manager from July 2000 to December 2002 and promoted as Finance & Admin Manager from January 2003 to June 2004. He also worked at Everchem Corporation (M) Sdn Bhd as Account Manager from July 2004 to March 2007.

Besides LAMBO, Mr Ng also sits on the Board of Vsolar Group Berhad as Independent Non-Executive Director.

Details of Any Other Board Committee:
He also sits on the following Board Committees of the Company:

(a) Member of Audit and Risk Management Committee
(b) Member of Nomination Committee
(c) Member of Remuneration Committee

BOARD OF DIRECTORS' PROFILE (CONT'D)

KHOR CHIN FEI

Aged 44 I Male I Malaysian

Designation: Independent Non-Executive Director
Appointment Date: 12 September 2014
Tenure of service: 6 years

Mr Khor Chin Fei ("Mr Khor") is an accountant. He graduated from University of Technology, Sydney in 1999. He is a member of the Malaysian Institute of Accountants (MIA) and the Certified Practising Accountants of Australia (CPAA). He has accumulated 11 years of working experiences auditing, corporate finance and financial planning. After his initial few years with PwC in the area of auditing, he then joined the Securities Commission, Malaysia (SC) where his primary responsibility was to evaluate various types of corporate proposals. He further developed his career in corporate finance after leaving the SC by joining the corporate finance department of AmInvesment Bank. He has been involved in financial planning and advisory works after he left AmInvestment Bank in year 2010.

Mr Khor does not hold any directorships in other public companies.

Details of Any Other Board Committee:
He also sits on the following Board Committees of the Company:
(a) Chairman of Audit and Risk Management Committee
(b) Member of Nomination Committee
(c) Member of Remuneration Committee

Notes:

All the Directors do not have any family relationship with any Director and/or substantial shareholders of LAMBO.

None of the Directors have been convicted of any offences other than traffic offences within the past ten (10) years.

None of the Directors have any conflict of interest with the Company.

Details of Directors' attendances at the Board meetings are set out in the Corporate Governance Overview Statement.

KEY SENIOR MANAGEMENT'S PROFILE

Zhu Guohe

Aged 51 I Male I People's Republic of China

Designation: Director

Mr. Zhu graduated from Huaqiao University, PRC in 1994 with an Advanced Diploma in Electrical Automation Technology. He is also a graduate of Executive Seminars on Business Administration from Huaqiao University. He subsequently obtained a Master of Business Administration (MBA) from Preston University, United States in August 2010.

He is an entrepreneur with more than 15 years of experience in the advertising industry. After gaining wide industry experience, he established his own advertising agency, Fujian Quanzhou Tianyuan Planning and Advertising Co., Ltd. in 1997. Subsequently, he established another advertising firms in the PRC, namely Xiamen Shengshi Tianyuan Media Co., Ltd. In 2010, he established Quanzhou Tianyuan Investment Consulting Co., Ltd. Under his management and leadership, his advertising agencies have grown rapidly to become one of the leading brand creation and integrators in the PRC. His agencies provide advisory services to leading PRC sports goods companies such as Jordan (China) Co., Ltd., 3610 (China) Co., Ltd., XiDeLang, Kangta and the Chinese Basketball Association. He has been instrumental in assisting to establish the "XiDeLang" brand as well as other prominent sports brands in China. He's the director of Xidelang Holdings Ltd. He has received numerous awards in China, including "China's Top Ten Sports Brand Planning Expert" in 2005,"China's Outstanding Sports Brand Planning Expert" in 2008, "China's Top Ten Marketing Planning Expert" in 2009 and "China's Annual Fashion Brand Planning Award in 2011". He has also been accredited as the Qualified Senior Planner in China.

Mr Zhu sits on the board of Xidelang Holding Ltd as Senior Independent Non-Executive Director. He has no relationship with any other Director or Major Shareholder of the Company, no conflict of interest with the Company and has not convicted of any offences within the past five (5) years other than the traffic offence, if any.

Dato' Yap Terng Sheng

Aged 47 I Male I Malaysian

Designation: CEO of Lamboplace Sdn. Bhd.

Dato' Yap Terng Sheng ("Dato' Yap") holds a degree in Business Finance from the University of Central Oklahoma, USA in 1996 and later concluded his Master in Business Administration in 1998 from the same university. He has more than 25 years of experience in develop and growing IT business mainly in E-Business & Hosting platform. He started his career in exploring the cutting edge of web technology and has extensive working experiences within information technology industry in the United States of America. He incorporated multiple IT companies, focuses in Hosting solutions, e-business development, online game development, publishing and distribution. He was appointed as the CEO in LamboPlace Sdn Bhd ("LamboPlace") in 2018, overseeing the overall direction, business model realization and business development of LamboPlace, the e-commerce platform in Malaysia.

Dato' Yap does not hold any directorships in public company. He has no relationship with any other Director or Major Shareholder of the Company, no conflict of interest with the Company and has not convicted of any offences within the past five (5) years other than the traffic offence, if any.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Company profile and business

The principal activities of the Group include investment holding and the provision of the information technology related products and services which including development of internet-based e-commerce platform.

The Group has ventured into e-commerce industry and has developed its own e-commerce marketplace in the People's Republic of China ("PRC"), which aims to bridge the gap between medium-sized sportswear manufacturers and distributors (both wholesalers and retailers) in PRC. However, in the recent financial periods, the Group's financial contribution from its operations in the PRC has been negatively impacted by the economic downturn arising from the COVID-19 pandemic as well as the global trade war arising from economic conflicts between the United States of America and the PRC, which resulted in amongst others, the imposition of tariffs and other trade barriers, leading to lower international trade. As a result of the slowdown in economic activities, the Group's businesses in the PRC had declined as the Group's major customers reduced their orders amidst lower sales achieved by them. In mitigation,the Group has been and will continue to expand its operations in the business-to-consumer (B2C) online platform and the logistic business in Malaysia to reduce dependency on its operation in the PRC, in line with the Group's strategy to shift its focus from the PRC to Malaysia.

In August 2019, the Group has launched its own business-to-consumer (B2C) e-commerce marketplace known as "LamboPlace" in Malaysia. LamboPlace is a B2C e-commerce marketplace for original lifestyle consumer products including food products, apparels and accessories, baby toys and collectibles, fitness products, home and living products, lifestyle gadgets as well as beauty and wellness products. In August 2019, the Group has also launched its last-mile delivery services through its online delivery platform, "LamboMove".

Vision

Business-to-Business portal (PRC)

Our vision is to build an online platform to fulfil gap in matching small and medium-sized sportswear manufacturers with wholesalers and retailers in the context of a B2B model with the best professional service.

Business-to-Consumer portal (Malaysia)

Our vision is to build an e-commerce marketplace platform by matching buyers and sellers in the context of eliminating layers of sales channels in product adoption for B2C model. We aim to provide lifestyle products at affordable prices to the consumers.

Strategies in creating value

- Form strategic cooperation partnership to explore the e-commerce market in both China and Malaysia and increase the business competitiveness
- Develop competencies and skills to ensure the efficiency of the development and maintenance of the online platform
- Continuous training to marketing and advertising team to provide professional marketing strategies to customers

Financial highlights

	FYE 31 May 2021 (12mths)	FPE 31 May 2020 (17mths)	FYE 31 December 2018 (12mths)	FYE 31 December 2017 (12mths)	FPE 31 December 2016 (18 mths)
Revenue	24,771,337	64,783,647	92,475,848	84,724,677	17,576,752
Operating (loss)/profit	(105,279,003)	10,988,362	23,038,818	25,602,956	2,659,789
(Loss)/Profit before taxation	(105,290,211)	10,975,811	23,038,818	25,602,956	2,659,789
Net (loss)/profit attributable to equity holders	(105,196,272)	6,171,444	16,814,006	19,176,165	(1,418,447)
Total assets	120,538,782	131,416,322	117,447,800	103,590,213	87,074,330
Total borrowings	86,515	134,107	–	–	–
Shareholder equity	118,471,723	129,081.500	114,682,675	100,981,472	85,143,010
Basic earnings per share	(2.75)	0.29	0.81	2.30	(0.29)
Net assets per share	0.02	0.06	0.05	0.12	0.17

Review of Financial Results and Financial Condition

The Group revenue decreased from RM64.78 million to RM24.77 million during the financial year ended 31 May 2021 as compared to the financial period ended 31 May 2020. However, the Group has changed the financial year end from 31 December to 31 May in the previous year. The current financial period covers 12 months and the previous financial period covered 17 months and thus the comparative amount is not entirely comparable. However, the decrease in revenue was mainly due to lower sales in PRC which was impacted by the economic downturn arising from the COVID-19 pandemic.

The Group has recorded a loss before taxation of RM105.29 million for the financial year ended 31 May 2021. The loss before tax was mainly due to the:-

(1) Gross loss incurred by the PRC arising from the shoes clearance sales at discounted price in the PRC to conserve cash for future deployment amidst the concern of re-emergence and worsening of COVID-19 pandemic wave worldwide;

(2) Fair value loss on other investment amounting to RM30.59 million; and

(3) Expenses relating to the granting of Employee Share Option Scheme of RM 9.02 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Review of Operating Activities

Private Placement September 2020

The Group embarked on an expansion plan for both LamboPlace and LamboMove with an estimated total budgeted costs of up to RM35.00 million, to be funded mainly via proceeds from the private placement. On 18 September 2020, the Company completed a private placement exercise which involved the issuance of 813,303,800 new Shares (representing approximately 30% of the total number of issued Shares prior to the private placement), raising a total of RM34.03 million.

The abovementioned expansion plan includes (i) marketing campaigns targeted at creating and increasing brand awareness as well as attracting new users and increasing conversion rates into sales, (ii) systems enhancement for LamboPlace (i.e. implementation of a business intelligence system for the e-commerce marketplace) and LamboMove (i.e. a mobile application for on-demand delivery services for individuals), (iii) establishment of a larger warehouse (which was to be rented) and purchase of motor vehicles, (iv) hiring of more personnel and (v) office expansion to support the larger operations post expansion.

Private Placement February 2021

On 02 February 2021, the Company has completed a private placement exercise which involved the issuance of 775,063,300 new Shares (representing approximately 20% of the total number of issued Shares prior to the private placement), raising a total of RM21.09 million.

The abovementioned private placement is to fund its expansion plan into the wine business. The expansion plan includes (i) developing a specialised e-commerce platform known as "LamboCellar" to market liquor products, particularly wines, (ii) procurement of wine inventories, (iii) acquisition and setting up of a separate warehouse for storage of wine inventories, (iv) marketing and promotion as well as (v) working capital for the wine business.

LamboCellar is a specialised platform which intended to be a marketplace for both merchants and consumers to buy and sell wines. Other types of liquor products may be introduced in stages to the marketplace, depending on the pick-up in demand for the different types of liquor products.

Anticipated or Known Risks

Market Competition

E-commerce industry is common today with the presence of several big players. The Group faces competition from both new entrants and existing players in the industry. Increased competition could result in revenue erosion and loss of market share, any of which could materially and adversely affect the Group's business, operating results and financial condition.

The Group has started the e-commerce business by focusing on the platform for sportswear in the Fujian province due to its concentration of approximately of 5,000 sportswear/footwear manufacturers in the province. Leveraging on its capabilities and experience in operating and managing e-commerce marketplace, the Group has in August 2019 launched its own business-consumer (BSC) e-commerce platform known as "LamboPlace" in Malaysia. LamboPlace aims to provide lifestyle products at affordable prices to the consumers. The Group would need to constantly conduct market intelligence surveys to understand the consumers' needs in terms of product suitability, pricing, features, design and quality. In addition, intensive marketing efforts are necessary to promote and drive more traffic to the Group's e-commerce platforms.

Inability of Management of Information System to Support the Business Operation

E-commerce is a more convenient and cheaper alternative to conventional shopping, however, the accessibility and connectivity of e-commerce makes it to be vulnerable to threats and hackers, who may mount attacks to corporate networks to steal confidential information. There's possibility of the system to be corrupted or the hardware/software/network failure which affecting the business.

The Group will place importance by enhancing the networking security on e-commerce platform and to ensure the servers are equipped with sufficient Antivirus Protection Software. The Group will continue to ensure the skills and competencies in technology, security and infrastructure aspects by engaging the professional team and continuous training.

Dependence on key personnel

The Group believes that its continuous success will depend upon the abilities and continuous effort of its existing key management and technical personnel. The loss of any key members of the Group's management and technical personnel could adversely affect the Group's ability to compete.

The Group continues to attract and retain the key management personnel who are essential in supporting of the Group's operations by providing employee benefits and incentives to ensure a long term commitment of the key management personnel to the Group.

Apart from this, the Group actively grooms the younger members of its management team by providing the necessary guidance, training and exposure in order to prepare them to take over from the senior management team in the future so that the Group is prepared to conduct a smooth transition.

Additionally, the Group if of the view that there is a sufficient pool of talent with suitable experience and expertise in the e-commerce market. As such, the Group is confident that it will be able to recruit suitable candidates to fill up any vacancies within a reasonable timeframe.

Regulatory and Political Risk

Any developments in political, economic, regulatory and social conditions could materially affect the Group's financial and business prospects. Other political uncertainties that could unfavourably affect us include changes in political leadership, war, economic downturn, financial crisis and changes in interest rates. The directors has been kept abreast of the government policies, rules and regulations and will take necessary action to ensure compliance.

Impact of COVID-19 on the Group's businesses

In the past year, the COVID-19 pandemic has spread across the world resulting in lockdown or similar measures imposed by governments worldwide to curb the spread of the virus. The imposition of lockdown or similar measures has had an adverse impact to the performance of the world's economies. Even if such lockdown measures are gradually relaxed over time, consumer sentiment is expected to remain dampened in the near future as consumers stay cautious in their spending. Until the vaccinations are able to be dispensed to the majority of the general population thus herd immunity could be achieved and social distancing measures to be lifted, the dampening effects of the COVID-19 pandemic on consumer spending and the economy as a whole are expected to remain in the foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

With the current daily global COVID-19 cases remain high, countries are facing the risk of a prolonged wave of COVID-19 infection in the future. Should the government reintroduce, reinforce and/or prolong movement restrictions / lockdown, this will potentially reduce economic. Lower consumer spending is expected as more workforce suffers from loss of employment or pay cuts. As the Group's businesses are mainly driven by consumer spending and hence, are closely related to the well-being of the country's economy, a prolonged wave of COVID-19 infection across the globe may result in a material adverse impact on the financial performance of the Group. Further, the execution of the Group's e-commerce business expansion plans has been inevitably deferred as a result of the various on-going MCO restrictions imposed by the Government.

Despite the above, the Group has observed an increasing number of retailers looking for third-party fulfilment providers for their warehousing and logistics needs (in contrast with the traditional business strategy to keep stocks in own warehouses) in order to have a leaner cost structure. This is particularly important for businesses to withstand the adverse economic effects arising from the current COVID-19 pandemic.

Outlook and Future Prospects

The Malaysian economy registered a smaller decline of 0.5% in the first quarter ("**1Q**") (fourth quarter of ("**4Q**") 2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for electrical and electronic ("**E&E**") products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order (MCO 2.0) and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector. On the expenditure side, growth was driven by better private sector spending and strong growth in trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a growth of 2.7% (4Q 2020: -1.5%). The Malaysian economy contracted by 5.6% in 2020.

Despite the recent re-imposition of containment measures, the adverse impact on growth would be less severe than that experienced in 2020, as almost all economic sectors are allowed to operate. Overall, the recovery growth will benefit from higher global demand, increased public and private sector expenditure as well as continued policy support. This will also be reflected in the recovery in labour market conditions, especially in the gradual improvement in hiring activity. Larger production from existing and new manufacturing facilities, particularly in the E&E and primary-related subsectors, as well as oil and gas facilities will provide further impetus to growth. The roll-out of the domestic COVID-19 vaccine programme will also lift sentiments and contribute towards recovery in economic activity. Nevertheless, the pace of recovery will be uneven across economic sectors.

The balance of risks remains tilted to the downside, arising mainly from ongoing uncertainties in the developments related to the pandemic, and continued challenges that affect the roll-out of vaccines both globally and domestically.

(Source: Quarterly Bulletin 1Q 2021, Bank Negara Malaysia, 11 May 2021)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Malaysian economy is projected to rebound to between 6.0% and 7.5% in 2021. Growth will be underpinned by the recovery in global demand and the gradual improvement in domestic economic activity. The growth trajectory will be mainly influenced by the COVID-19 developments, particularly the extent and duration of containment measures and the rollout of vaccines.

(Source: Economic and Monetary Review 2020, Bank Negara Malaysia, 31 March 2021)

Lambo Group started off as a digital and internet media consultancy services provider. By utilising its capabilities in the industry through its digital-consultancy arm, the Group has ventured into e-commerce industry.

During the financial periods, the Group's operations in the PRC have been adversely affected by the on-going escalation of trade conflicts between the United States of America and the PRC as well as the outbreak of COVID-19. In view of the recent developments, the Group has been expanded and will continue to expand its operations in Malaysia to diversify and reduce dependency on its operations in the PRC.

The Group has launched the LamboPlace in Malaysia, which is a business-to-consumer (B2C) e-commerce marketplace catered for original lifestyle consumer products. LamboPlace has registered over 2 million of accumulated page views and over 50,000 of unique product listings from over 800 brands on its platform.

The Group has also launched the LamboMove, an online delivery platform focusing on last-mile delivery services. In addition to support the delivery of products sold through the Group's B2C e-commerce marketplace, LamboMove also provides its service to third-party customers on a scheduled and on demand delivery basis. At present, the last-mile delivery services are being offered largely to customers based in Kuala Lumpur, Selangor and Johor Bahru.

In recent years, the Group has observed an increasing number of retailers looking for third-party fulfilment providers for their warehousing and logistics needs (in contrast with the traditional business strategy to keep stocks in own warehouses) in order to have a leaner cost structure.

Recognising this as an opportunity, the Group undertakes the corporate exercises to raise additional funds to expand its warehousing and logistics capability and capacity to support and expand its LamboPlace and LamboMove operations. However, the execution of the Group's e-commerce business expansion plans has been inevitably deferred as a result of the various on-going MCO restrictions imposed by the Government, which led to delays in terms of, amongst others, identifying suitable warehouses, commencing renovation works and hiring additional staff. Nevertheless, the Group will strive to implement the e-commerce business expansion plans to the best extent possible, with strict adherence to the relevant standard operating procedures and MCO restrictions in place.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed towards maintaining a sound system of risk management and internal control and is pleased to provide the following Statement on Risk Management and Internal Control ("Statement") which outlines the scope and nature of risk management for and the internal controls of the Group for the financial year ended 31 May 2021 ("FYE2021").

For the purpose of disclosure, this Statement is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") pursuant to Paragraph 15.26(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Principle B(II) of the new Malaysian Code on Corporate Governance ("MCCG").

BOARD'S RESPONSIBILITY

The Board is committed to the continuous improvement of internal control and risk management practices within the Group to meet its business objectives. The Board affirms its overall responsibility to establish a sound risk management framework and internal control system, and for reviewing the adequacy, integrity and effectiveness of these systems to safeguard shareholders' investment and the Group's assets. It covers not only financial controls but operational and compliance controls, and risk management.

However, such systems, by their nature, can only provide reasonable, but not absolute, assurance against hindering the Group achieving its business objectives, material misstatement, loss and fraud. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives of the Group.

The Board has received assurance in writing from the Executive Directors that the Group's risk management and internal control system are operating adequately and effectively throughout the financial year, in all material aspects, based on the risk management and internal control system of the Group.

RISK MANAGEMENT

The Board recognises the importance for identifying, evaluating and managing the significant risks that could potentially impact the Group. The Board is aware that risk management practices need to be embedded into the organisation's business process. Hence, risk registers and risk profiles are used as one of the business tools to highlight the risks exposures and their risks mitigation to Management and Board. The risk register and risk profiles for all business units of the Group are updated as and when there are changes to the business environment or regulatory guidelines. This process is regularly reviewed by the Audit and Risk Management Committee ("ARMC") and reported to the Board.

During the financial year under review, the underlying principal risks of the Company are market competition, dependent on key management personnel, risk of inability of management information system to support business operations, and establishment of an on-going process for identifying, evaluating, and managing such risks.

RISK MANAGEMENT (CONT'D)

The key elements of the Group's risk management practices are described below:

1. The Group maintains a sound system of risk management by ensuring that the risk management and control framework are embedded into the culture, processes and structure of the Group and to the achievement of its business objectives.

2. The Group has established an organisation structure with clearly defined limits of authority, lines of responsibility and accountability that aligned to the Group's business objectives.

3. The Heads of Department and Key Management staffs are responsible for identifying, assessing and managing the risks faced by the respective departments. The results of risk assessment activities are shared across the business unit for appropriate actions to be taken.

4. Periodic operational/management meetings are held to ensure that the risks identified are monitored and appropriately addressed to the Executive Directors and they shall highlight those significant risks identified to the ARMC and the Board.

5. The Board is assisted by the ARMC in overseeing the effectiveness of the Group's policies and guidelines to ensure proper management of risks to which the Group is exposed and to take appropriate and timely action to manage the risks.

6. The Board through the ARMC, maintains risks oversight for the Group by carrying out the following:

    i. On-going review with the Key Management personnel within the Group on the development and maintenance of risk management practices and internal control systems.

    ii. Review on the results of the internal audit programme, processes or investigation undertaken at least once a year and whether or not appropriate action is taken on the recommendations made by the internal auditors.

    iii. Review with external auditors on the results of their audit, the audit report and internal control recommendations in respect of internal control weaknesses noted in the course of their audit on a yearly basis.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL PROCESSES

The Group's internal control mechanism covers not only day-to-day operations but also on the governance of the Group at the highest level through the Board and various Board Committees. While the Board and its Board Committees are governed by their respective ToR established and are reviewed on an annual basis, Management's conduct is monitored and reviewed through operational performance reviews on quarterly basis, risk position reviewed periodically and independent internal audit is conducted by an independent professional firm. The internal control processes are reviewed and updated from time to time to ensure they are relevant and effective when responding to changes in circumstances and external environment and also for further improvement by adopting the best practices, where practical.

Apart from risk management and internal audit function, the Board, through the ARMC has also put in place the following key elements as part of the Group's system of internal control:

- The Executive Directors meet monthly with Key Management to discuss and review the financial and business performance of all operating entities, management accounts, new business initiatives, other management and corporate issues of the Group.

- The ARMC comprising entirely of Independent Non-Executive Members of the Board, is not restricted in any way in the conduct of its duties and has unrestricted access to the internal and external auditors of the Company and to all employees of the Group. The ARMC and the Board are also entitled to seek such other third party independent professional advice deemed necessary to the discharge of its responsibilities.

- The Group has in place a Whistle Blowing Policy, which forms part of the Code of Ethics, to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential environment.

- An integrated Board Charter and Code of Ethics are in place and available at the Company's corporate website:www.lambogroup.my, to set the pace of upholding integrity and ethical values within the Group.

INTERNAL AUDIT

The Group's internal audit function is outsourced to an independent assurance provider, Vaersa Advisory Sdn. Bhd. ("internal auditors") to provide the ARMC and the Board with the independent assessment of the effectiveness, adequacy and integrity of the Group's internal control systems. The internal auditors carry out the internal audit reviews independently in accordance with the International Professional Practices Framework ("IPPF") and the risk-based audit plan approved by the ARMC.

During the financial year under review, based on the assessment and feedback from the internal auditors, the ARMC was satisfied that there was no material losses incurred, contingencies or uncertainties occurred as a result of weaknesses noted in the internal control systems that would require separate disclosure in this Annual Report. The internal auditors also performed follow-up visits to ensure that recommendations for improvements to the internal control systems have been satisfactorily implemented.

The ARMC Report set out on pages 46 to 48 of this Annual Report contains further details on the principal responsibilities of and activities undertaken by the internal auditors in FYE2021 and up to date of this Statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

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

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Rule15.23 of the Listing Requirements, the external auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 (Revised) issued by the Malaysian Institute of Accountants for inclusion in this Annual Report of the Group for the financial year ended 31 May 2021. AAPG 3 (Revised) does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

Based on the review, the external auditors reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.

CONCLUSION

The Board has received reasonable assurance from the Executive Directors that the Group's risk management and internal control systems, in all material aspects, are operating adequately and effectively. The Board is of the opinion that there were no significant weakness identified during the financial year under review in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect the Company and the Group save and except for the specific shortcomings in operational related issues as highlighted by the internal audit conducted. These gaps will be gradually closed through the institution of the on-going corrective measures.

Nevertheless, the Board recognizes that the systems must continuously improve to meet the changing business environment. The Board and the Management will continue to take necessary measures to strengthen and improve its internal control environment and processes.

This Statement was in accordance with the resolution of the Board of Directors dated 27 September 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of LAMBO GROUP BERHAD ("the Company" or "LAMBO") recognises and is committed to ensure the importance of good Corporate Governance ("CG") is being practised by the Company and the subsidiaries ("the Group") in order to safeguard stakeholders' interests as well as enhancing shareholders' value.

This CG Overview Statement sets out the manner in which the Group has applied and the extent of compliance with the principles and recommendations as set out in the new Malaysian Code on Corporate Governance ("MCCG"), the relevant chapters of the ACE Market Listing Requirements ("Listing Requirements") on CG with additional guidance derived from Guidance Note II of AMLR and the Corporate Governance Guide (3rd Edition) issued by Bursa Malaysia and all applicable laws and regulations throughout the financial year ended 31 May 2021(" FYE 2021").

The Group's CG practices will be continually reviewed and where there might be departures from the principles set out in the MCCG, efforts will be made to review these practices with a view to compliance. The detailed application for each practice as set out in the Code is disclosed in the CG Report which is available on the Company's corporate website: www.lambogroup.my

In accordance with Guidance Note II of AMLR, a summary of LAMBO's corporate governance practices with reference to the MCCG is outlined below.

A) BOARD LEADERSHIP AND EFFECTIVENESS

Part I - Board Responsibilities

1. Board's Leadership on Objectives and Goals

1.1 Functions, roles and responsibilities of the Board

LAMBO is led by an experienced and dedicated Board of Directors that has put much effort in ensuring the smooth management of the Company. The Board leads LAMBO and plays a strategic role in overseeing the Group's objectives, direction, goals and overall corporate governance to ensure that the strategic plans of the Group are implemented and accountability is monitored well. The following are the key matters of the Company reserved for the Board's approval:-

- Reviewing and approving the financial results, strategies, business plan and policies;
- Ensuring the establishment of risk management framework and policies;
- Ensuring competent management;
- Reviewing the adequacy and integrity of the Group's systems of internal control and management systems;
- Acquisition or disposal of material fixed assets; and
- Acquisition or disposal of companies within the Group.

The Board reserved certain powers for itself and has delegated certain matters, such as the day-to-day management of the Group to the Executive Directors. The Non-Executive Directors including the Chairman are responsible for bringing independent judgment and scrutiny to decisions taken by the Board and providing objective challenges to Management.

The Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group. In this manner, the Non-Executive Directors fulfil a crucial corporate accountability role as they provide independent and objective views, opinions and judgement on issues being deliberated and act in the best interest of the Group, its stakeholders and shareholders, including minority shareholders. There is a schedule of key matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Group are in its hands.

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I - Board Responsibilities (cont'd)

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

1.1 Functions, roles and responsibilities of the Board (cont'd)

In order to ensure the effective discharge of its function and responsibilities, the Board has established and approved the respective Terms of Reference ("ToR") for the relevant Board Committees where specific powers of the Board are delegated to the relevant Board Committees. Board Committees comprise of Audit and Risk Management Committee ("ARMC"), Remuneration Committee ("RC"), Nomination Committee ("NC") and Employee Share Option Scheme ("ESOS") Committee as set out therein.

Although specific powers are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee, including key issues via reports by the Chairman and/or Chairperson of each of the Board Committees, as well as the tabling of minutes of all Board Committee meetings, to the Board at Board meetings. The Board reviews the respective Board Committees' authority and ToR from time to time to ensure their relevance and enhance its efficiency. The ultimate responsibility for the final decision on all matters, however, lies with the Board of Directors as a whole.

The ToR of each of the Board Committees as approved by the Board is available on the Company's corporate website: www.lambogroup.my.

The Board owes the fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times. Aside from the key responsibilities as delineated in the Board Charter, each Board member is also expected to demonstrate and adhere with the following:

a. Time commitment

i. Attendance of meetings

The Board ordinarily schedules four (4) meetings in a year. Board and Board Committee meetings are scheduled well in advance, i.e. prior to the closing of each quarter to facilitate the Directors in planning ahead and to ensure that the Board and Board Committees meetings are booked in their respective schedules.

Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. The agenda for the meeting of the Board are set by the Company Secretaries in consultation with the Non-Executive Chairman. Decisions of the Board are made unanimously or by consensus. Where appropriate, decisions may be taken by way of Directors' Written Resolutions between scheduled and special meetings.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of LAMBO. This is evidenced by the attendance record of the Directors at Board of Directors and Board Committee meetings during the year under review as set out as follows:

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I - Board Responsibilities (cont'd)

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

1.1 Functions, roles and responsibilities of the Board (cont'd)

a. Time commitment (cont'd)

i. Attendance of meetings (cont'd)

Meeting Attendance	Board	ARMC	NC	RC	ESOS	@AGM
Hj. Abdullah Bin Abdul Rahman	*5/5	5/5	*1/1	*1/1	–	*1/1
Mr Zhuang GuoHua	5/5	–	–	–	–	1/1
Mr Koo Kien Yoon	5/5	–	–	–	–	1/1
Mr Ng Chee Kin	5/5	5/5	1/1	1/1	–	1/1
Mr Khor Chin Fei	5/5	*5/5	1/1	1/1	–	1/1

* Chairman of the Board or Board Committees or Annual General Meeting ("AGM")
@ Nineteenth AGM held on 28 October 2020

Notwithstanding that no specific quantum of time has been fixed, each member of the Board is expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. Each Board member is expected to achieve at least fifty percent (50%) attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairperson and/or any one of the Company Secretaries, where applicable.

ii. New Directorships

Prior to the acceptance of new Board appointment(s) in other companies and/or Public Listed Companies ("PLCs"), the Directors are to notify the Chairman and/or any one of the Company Secretaries in writing. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, one (1) criterion as agreed by the Board is that they must not hold directorships at more than five (5) PLCs (as prescribed in Rule 15.06 of Listing Requirements).

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held and for notification to the Companies Commission of Malaysia ("CCM") accordingly.

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I - Board Responsibilities (cont'd)

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

1.1 Functions, roles and responsibilities of the Board (cont'd)

b. Continuing training programmes

The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

The external auditors also briefed the Board members on any changes to the applicable approved accounting standards as per the Malaysian Accounting Standards Board ("MASB") that affect the Group's financial statements during the year. The Directors' are also encouraged to attend appropriate external trainings on subject matter that aids the Directors in the discharge of their duties as Directors, at the Company's expense.

All the Directors have attended the Mandatory Accreditation Programme as required by Bursa Securities and were updated by the Company Secretaryies and external auditors on the various salient amendments to the Listing Requirements and the applicable approved accounting standards as per MASB from time to time.

The details of trainings and various external programs attended by the Directors during the financial year under review are as follows:

Board members	Courses/Training Programmes Attended
Mr Zhuang Guohua	• 2021 Xiamen Cross Border E-commerce
Mr Koo Kien Yoon	• Covid 19 Impact on Financial Report and Internal Controls • Decoding Transactions and RPT Rules • Roles & Responsibilities of Directors
Mr Ng Chee Kin	• Covid 19 Impact on Financial Report and Internal Controls • Decoding Transactions and RPT Rules
Mr Khor Chin Fei	• Covid 19 Impact on Financial Report and Internal Controls
HJ. Abdullah Bin Abdul Rahman	• Decoding Transactions and RPT Rules

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I - Board Responsibilities (cont'd)

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

1.1 Functions, roles and responsibilities of the Board (cont'd)

c. Conflict of interest and related party transactions

To assure accountability and prevent conflict of interest in relation to issues that come before the Board, Directors are reminded by the Company Secretaries of their statutory duties and responsibilities and are provided with updates on any changes thereon. Hence, all related party transactions (if any) will be submitted to the ARMC for review on a quarterly basis.

The Directors further acknowledge that they are also required to abstain from deliberation and voting on relevant resolutions in which they have an interest at the Board or any general meeting convened. In the event a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting in respect of their shareholdings and will further undertake to ensure that persons connected to them will similarly abstain from voting on the resolutions.

1.2 The Chairman of the Board

The Non-Executive Chairman is not related to the Executive Directors. He is responsible for the Board's effectiveness and conduct, implementing the Group's policies, business plans and executive decision making and is assisted by the Executive Directors.

The Non-Executive Chairman also promotes an open environment for debate and ensures effective contributions from Non-Executive Directors. He also exercises control over the quality, quantity and timeliness of information flow between the Board and Management. Together with the other Non-Executive and Independent Directors, he leads the discussion on the strategies and policies recommended by the Management.

At a general meeting, the Non-Executive Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management.

1.3 Separation of roles of Non-Executive Chairman and Executive Directors

The Company practises a division of responsibilities between the Non-Executive Chairman and the Executive Directors. Their roles are separated and clearly defined to ensure a balance of power and authority, increased accountability and greater capacity of the Board for independent decision-making.

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I - Board Responsibilities (cont'd)

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

1.4 Qualified and competent Company Secretaries

The Company Secretaries of LAMBO, have the requisite credentials and are competent and suitably qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 ("the Act"). The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of her functions. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations.

The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and adhered to board policies and procedures, rules, relevant laws and best practices on CG and deliberations at the Board and Board Committee meetings as well as follow-up on matters arising are well captured and recorded. The Company Secretaries also keep the Board updated on changes in the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in CG through continuous training. The removal of the Company Secretaries is a matter for the Board, as a whole to decide.

1.5 Access to information and advice

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries in ensuring the effective functioning of the Board. The Directors may seek advice from the Management on issues under their respective purview.

Prior to the Board meetings, the agenda for each meeting together with a full set of the board papers containing the information relevant to the business of the meetings are circulated to the Directors at least seven (7) days before the meeting. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, approvals will be obtained via circular resolutions which are supported with information necessary for an informed decision.

The Directors are also notified of any corporate announcement(s) released to Bursa Securities and the impending restriction on dealing with the securities of the Company prior to the announcement of the quarterly financial results.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Chairman or the Board, depending on the quantum of the fees involved.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I - Board Responsibilities (cont'd)

2. Demarcation of Responsibilities

2.1 Board Charter

The Board recognises the importance of establishing a single source of reference for Board activities through a Board Charter as recommended by the MCCG. As such, a Board Charter was formalised on 28 November 2013 to clearly delineate the roles of the Board, Board Committees and Management in order to provide a structured guidance for Directors and Management regarding their responsibilities of the Board, its Board Committees and Management, including the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Group as well as boardroom activities.

The Board reviews and updates its Charter regularly as to keep itself up to date with new changes in regulations and best practices and to ensure its effectiveness and relevance to the Board's objectives. Any subsequent amendment to the Charter can only be approved by the Board. The salient features of the Board Charter is available on the Company's corporate website: www.lambogroup.my.

3. Promoting Good Business Conduct and Maintaining A Healthy Corporate Culture

3.1 Code of Ethics

The Company's Code of Ethics, requires all officers and employees to observe high standards of business and personal ethics in carrying out duties and responsibilities. As employers and representatives of LAMBO, or any of its subsidiaries, they must practice honesty and integrity in fulfilling their duties and responsibilities, and comply with all applicable laws and regulations. It is thus the responsibility of all officers and employees to comply with the Code of Ethics and to report violations or suspected violations thereto.

The salient features of the Code of Ethics are accessible by the public through the Company's corporate website: www.lambogroup.my.

3.2 Formalised policies and procedures on Whistle-Blowing

The Board also has a separate Whistle-Blowing Policy stating the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of such policy is in line with Section 587 of the Act where provisions have been made to protect LAMBO's officers or stakeholders who make disclosures on breach or non-observance of any requirement or provision of the Act or on any serious offence involving fraud and dishonesty.

The Whistle-Blowing Policy is accessible by the public through the Company's corporate website: www.lambogroup.my.

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part I - Board Responsibilities (cont'd)

3. Promoting Good Business Conduct and Maintaining A Healthy Corporate Culture. (cont'd)

3.3 Anti-Bribery and Corruption Policy

The Board has formalised an Anti-Bribery and Corruption Policy that outlines the Group's commitment to conduct business ethically as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments made by the relevant authority from time to time.

The aim of Anti-Bribery and Corruption Policy of LAMBO is:-

* to foster the growth of a business environment that is free of corruption;
* to set out the Group's responsibilities, and the responsibilities of those working for or with the Group in observing and upholding the Group's position, on bribery and corruption;
* to ensure that the Group has adequate procedures in place to prevent and detect bribery and corruption;
* to provide information and guidance to those working for or with the Group on how to recognize and deal with potential bribery and corruption issues; and
* to protect the Group against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

Lambo has zero tolerance policy towards any form of bribery and corruption by, or of, its Personnel or any persons or companies acting for or on behalf of the Group. This Policy is applicable to anyone who is employed by or work at Lambo (whether permanent, fixed-term or temporary basis), directors (executive and non-executive), company secretaries and committee members of Lambo (together, "Personnel"). It is also applicable to contractors, subcontractors, suppliers, consultants, agents, and service providers of any kind, performing work or services, engaged by or on behalf of Lambo (together, "Business Partners / Associates").

The Anti-Bribery and Corruption Policy of LAMBO is made available on the Company's website at www.lambogroup.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition

4. Board's Objectivity

4.1 Composition of the Board

The Board comprises of five (5) members, of whom two (2) are Executive Directors, one (1) is Independent Non-Executive Chairman and two (2) are Independent Non-Executive Directors. In this respect, the Board comprises a majority of Independent Directors, representing 60% of the Board. In addition, LAMBO also complies with the requirement of the Listing Requirements for Independent Non-Executive Directors to make up at least one-third (1/3) of the Board membership.

The Board views the present number of its Independent Directors as ideal to provide the necessary check and balance to the Board's decision-making process. There is a good mix of skills and core competencies in the current Board membership. The Board is of the opinion that the existing three (3) Independent Non-Executive Directors, with their extensive knowledge and experience would be able to represent the investment of the public and the minority shareholders. The Board is, however, open to board changes as and when appropriate. The profile of each of the Director is set out on pages 10 to 12 of this Annual Report.

The Board has not nominated a Senior Independent Non-Executive Director to whom concerns may be conveyed as the Board is of the opinion that given the strong independent element of the Board, any concern regarding the Group may be conveyed by shareholders or investors to any of the Independent Directors at the following address and such concerns will be reviewed and addressed by the Board accordingly:

Tn Hj. Abdullah Bin Abdul Rahman / Mr Ng Chee Kin/ Mr Khor Chin Fei
Lambo Group Berhad
Lot 11.1, 11th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor

4.2 Tenure of Independent Directors

As at the date of this Statement, none of the Independent Directors has reached nine (9) years of service since their appointment as Directors. Their tenure of service is set out in the Board of Directors' and Key Senior Management's Profile of this Annual Report on page 13 of this Annual Report.

4.3 Policy of Independent Director's Tenure

The Board has adopted a nine (9) years policy for Independent Directors. Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In the event such Director was to retain as an Independent Director, the Board would have to justify in the notice convening the AGM and seek shareholders' approval on the retention of such Independent Director at every AGM.

The Board should seek annual shareholders' approval through a two-tier voting process if the retention of such Independent Director was after the twelfth year.

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition (cont'd)

4. Board's Objectivity (cont'd)

4.4 Diverse Board and Senior Management Team

The Company has put in place its procedures and criteria for appointment of new directors and Senior Management personnel. All candidates for appointment and/or election are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities required to well manage the business, with the aim to meet the current and future needs of the Board composition. The NC also evaluates the candidates' character and ability to commit sufficient time to the Group. Other factors considered for appointment of Independent Director will include the level of independence of the subject candidate.

4.5 Gender Diversity Policy

The Board is presently of the view that there is no necessity to fix a specific gender diversity policy. The Board believes that the on-boarding process of Directors should not be based on any gender discrimination.

However, the Board will endeavor to tap talent from human capital market from time to time with the aim to have at least one (1) female director in its Board in the future.

4.6 New Candidates for Board Appointment

The screening and evaluation process for potential candidates to be nominated as Directors are delegated to the NC. The process involves the NC's consideration and submission to the Board its recommendation of suitable candidates from either the Management, the existing Board member(s) or major shareholder(s) for the proposed appointment as Directors of the Company. The NC may also obtain and rely upon independent sources such as a directors' registry, open advertisement or use of independent search firms in furtherance of their duties at the Company's expense, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved. If the selection of candidates was solely based on the recommendations made by the Management, the existing Board member(s) or major shareholder(s), the NC will explain why other sources were not used.

The shortlisted candidates whom were not known to the existing Board members, were interviewed by the NC and thereafter, met with the Board of Directors for endorsement of appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition (cont'd)

4. Board's Objectivity (cont'd)

4.7 Re-Election of Directors

The procedure on the re-election of directors by rotation is set out in the Company's Constitution. Pursuant to the Company's Constitution, all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the first meeting after their appointment. The Company's Constitution also provides at least 1/3 of the remaining Directors are subject to re-election by rotation at each Annual General Meeting, and retiring directors can offer themselves for re-election. All Directors shall retire from office at least once in every 3 years, but shall be eligible for re-election.

Upon the recommendation of the NC and the Board, the Directors who are standing for re-election and re-appointment at the forthcoming Annual General Meeting of the Company are as stated in the Notice of Annual General Meeting.

4.8 NC

The NC of LAMBO was established on 28 November 2013 to assist the Board in recommending appointment of new Director(s) and assessing the effectiveness of the Board as a whole.

The activities undertaken by NC during the financial year under review are as follows:

- reviewed the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board;
- reviewed and recommended the appointment of shortlisted candidates to fill casual vacancies of Directors;
- undertook annual assessment of its Independent Directors;
- reviewed the training needs for the Directors regularly; and
- reviewed the performance of the Board as a whole and the Board Committees, particularly the term of office and performance of the ARMC and each of its members and recommending to the Board the appointment of members of ARMC and other Board Committees established by the Board.

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition (cont'd)

4. Board's Objectivity (cont'd)

4.9 ESOS Committee

The ESOS Committee was established on 6 August 2015 to assist the Board in establishment of the ESOS by rewarding and retaining the eligible Directors and key management personnel who have contributed to the growth of the Company.

The duration of ESOS which was implemented on 6 August 2015, was five (5) years and has expired on 6 August 2020. It was extended for another five (5) years and will be expiring on 6 August 2025.

On 23 April 2020, the Company has offered 438,000,000 share options to the eligible employees.

The table below illustrates the share options granted and exercised during FYE2021:-

		Number of Shares			
Grant Date	**Exercise Price (RM)**	**As at 01/06/2020**	**Granted**	**Exercised**	**As at 31/05/2021**
23/04/2020	0.015	185,668,000	–	(185,668,000)	–
17/06/2020	0.020	–	131,895,000	(131,895,000)	–
30/06/2020	0.020	–	39,000,000	(39,000,000)	–
20/07/2020	0.045	–	12,000,000	(12,000,000)	–
04/11/2020	0.030	–	247,000,000	(247,000,000)	–
20/11/2020	0.038	–	60,000,000	(60,000,000)	–
09/12/2020	0.040	–	32,000,000	(32,000,000)	–
18/02/2021	0.025	–	243,000,000	(243,000,000)	–
15/03/2021	0.025	–	72,000,000	(72,000,000)	–
18/03/2021	0.025	–	22,500,000	(22,500,000)	–

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part II - Board Composition (cont'd)

5. Overall Board Effectiveness

5.1 Annual evaluation

The NC will be reviewing the Board's effectiveness in the following key areas of composition, administration and process, accountability and responsibility, Board conduct, communication and relationship with Management, performance of the Chairman and Executive Directors, the time commitment in discharging their role and responsibilities through attendance at their respective meetings as well as the application of good governance principles to create sustainable shareholder's value.

The Board will undertake an annual assessment of Independent Directors as to justify whether they continue to bring independent and objective judgement to board deliberations. Peer and self-assessment will be carried out by the Directors and the ARMC members once every year. The results, in particular the key strength and weaknesses identified from the evaluation, will be shared with the Board to allow enhancements to be undertaken.

The Company Secretaries will facilitate the NC in carrying out the annual assessment exercise via the ARMC evaluation questionnaire, Board members' self and peer evaluation form, Independent Directors' evaluation form, Directors' evaluation form, Board and Board committee evaluation form.

From the annual assessment and review conducted for FYE2021, the NC was satisfied that all the Executive, Non-Executive and Independent Directors on the Board possess sufficient qualification to remain on the Board. Save for the NC members who are also a member of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the NC Members view that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry.

As for the Board evaluation, the NC agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company as a Director effectively. The NC further concluded that the Board and Board Committees were functioning effectively as a whole with a high level of compliance and integrity.

The NC was also satisfied that the Independent Directors are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company. Additionally, each of the Independent Directors has provided an annual confirmation of their independence to the NC and the Board.

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III - Remuneration

6. Level and Composition of Remuneration

6.1 Remuneration policy

The Company's remuneration policy for Directors is formulated to attract and retain individuals of the necessary caliber needed to run the business of the Group successfully. The remuneration is structured to link experience, expertise and level of responsibility undertaken by the Directors. The Directors play no part in deciding their own remuneration and shall abstain from discussing or voting on their own remuneration.

The salient features of the remuneration policy of the Group is summarised as follows:

a) The salary for Executive Directors is set at a competitive level for similar roles within comparable markets, reflect the performance of the director, skills and experience as well as responsibility undertaken.
b) Directors' Fees are based on a standard fixed fee and are subject to approval by the Shareholders at the AGM.
c) Only Executive Directors are entitled to benefits-in-kind provided by the Group.
d) The RC may obtain independent professional advice in formulating the remuneration package of its Directors.

For FYE2021, the Board approved the RC's recommendation on remuneration of the Executive Director, remuneration of the Non-Executive Directors, and Directors' fees for FYE2022 for the approval of the Shareholders at the Twentieth (20th) AGM. The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board.

The remuneration policy is not made available on the Company's corporate website as the Board is of the view that the confidentiality and sensitivity of the features of the Company's remuneration structure which are in supportive of the strategies and long-term vision of the Company will be able to safeguard accordingly.

6.2 RC

The RC was established on 28 November 2013 and is responsible for recommending to the Board on the remuneration framework as well as the remuneration package of Executive Directors to ensure that rewards commensurate with his contributions to the Group's growth and profitability in order to align the interest of the Director with those of the shareholders. The RC also ensures the level of remuneration for Non-Executive Directors and Executive Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

The activities undertaken by the RC during the financial year under review were as follows:

- Formulated the remuneration policies and remuneration for the members of the Board and Board Committees, and recommended the same to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A) BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Part III - Remuneration (cont'd)

7. Remuneration of Directors and Senior Management

7.1 Details of Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during the FY2021 are as follows:

COMPANY

Director	Fees RM	Salaries & Bonus RM	Defined Contribution Plan RM	Benefits in Kind RM	Total Remuneration RM
Koo Kien Yoon	15,000	156,000	19,644	–	190,644
Khor Chin Fei	55,000	–	–	–	55,000
Ng Chee Kin	24,000	–	–	–	24,000
Tn HJ. Abdullah Bin Abdul Rahman	60,000	–	–	–	60,000
Total	154,000	156,000	19,644	–	329,644

GROUP

Directors	Fees RM	Salaries & Bonus RM	Defined Contribution Plan RM	Benefits in Kind RM	Total Remuneration RM
Koo Kien Yoon	43,000	156,000	19,644	–	218,644
Zhuang GuoHua	–	94,223	1,542	–	95,765
Tn HJ. Abdullah Bin Abdul Rahman	60,000	–	–	–	60,000
Khor Chin Fei	55,000	–	–	–	55,000
Ng Chee Kin	57,000	–	–	–	57,000
Total	215,000	250,223	21,186	–	486,409

The number of Directors whose total remuneration falls within the following bands are as follows:-

Remuneration	Non - Executive Directors	Executive Director
Below RM 100,000	3	1
RM100,001 – RM200,000	–	–
RM200,001 – RM300,000	–	1

7.2 Senior Management's Remuneration

With regards to disclosure of remuneration of the Group's Senior Management, the Board has opined that it is not in the best interest of the Company to make such disclosures due to the sensitivity of their remuneration package, privacy and competition.

B) EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I - ARMC

8. Effective and Independent ARMC

8.1 The chairman of the ARMC is not the Chairman of the Board

The positions of Chairman of the ARMC and the Board are held by two (2) different individuals. Hence, the objectivity of the Board's review of the ARMC's findings and recommendations will be able to preserve. The Board is of the view that the chairperson of the ARMC has performed the duties as defined and his judgment was not impaired as he is sufficiently independent from Management in leading the discussion on the matters being deliberated and findings as well as recommendations made by the ARMC objectively in the Board meetings.

8.2 Cooling-off period for a former audit partner to be appointed as ARMC member

The ARMC has not adopted a two-year cooling-off period policy for a candidate whom is a former audit partner before being appointed as a member of the ARMC.

However, the said policy currently does not apply to the ARMC given none of the ARMC nor Board members is a former audit partner as at the date of this Statement.

8.3 Policies and procedures for assessment of suitability, objectivity and independence of external auditors

The external auditors fill an essential role by enhancing the reliability of the Company's annual audited financial statements and giving assurance to stakeholders of the reliability of the annual audited financial statements. The external auditors have an obligation to bring any significant defects in the Company's system of control and compliance to the attention of the Management, and if necessary, to the ARMC and the Board.

The external auditors are working closely with the internal auditors and tax consultants, without compromising their independence. Their liaison with the internal auditors would be in accordance with International Standards on Auditing (ISA) No. 610: "Considering the Work of Internal Auditing", with the main objective of avoiding duplication of efforts to maximise audit effectiveness and efficiency. The external auditors reviews internal audit reports and discuss findings with internal auditors where necessary.

In accordance with the principles set out in ISA No. 260 "Communicating of Audit Matters with Those Charged with Governance", the external auditors have brought to the Board's attention through the ARMC, all the significant accounting, auditing, taxation, internal accounting systems & process control and other related matters that arise from the audit of the financial statements of the Company. The ARMC, without the presence of Executive Board member and Management also meets with the external auditors at least twice during each financial year to exchange free and honest views on issues which the external auditors may wish to discuss in relation to their audit findings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part I - ARMC (cont'd)

8. Effective and Independent ARMC (cont'd)

8.3 Policies and procedures for assessment of suitability, objectivity and independence of external auditors (cont'd)

In this regard, the ARMC had on 28 July 2021, assessed the independence of Messrs CAS Malaysia PLT ("CAS") as external auditors of the Company as well as reviewed the level of non-audit services rendered by CAS to the Company for FYE2021. The ARMC had obtained written assurance from CAS confirmed that they are, and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants. The external auditors provided such declaration in their annual audit plan presented to the ARMC prior to the commencement of audit for a particular financial year. The ARMC was satisfied with CAS's technical competency and audit independence and took note that the quantum of non-audit fee charged thereto was not material as compared to the total audit fees paid to CAS.

The ARMC was satisfied with CAS's technical competency and audit independence and took note that the quantum of non-audit fee charged thereto was not material as compared to the total audit fees paid to CAS. Having satisfied itself with their performance and the technical competency as well as received the assurance from CAS as stated above, the ARMC will recommend for their re-appointment to the Board, upon which the shareholders' approval will be sought at the 20th AGM.

8.4 ARMC composition

In relation to the Step Up 8.4 of the MCCG, the Board has a long-standing practice of having the ARMC comprising exclusively of Independent Directors. The ARMC comprises three (3) Non-Executive Directors of whom all are Independent Directors. On the composition, please refer to the Corporate Information of this Annual Report on page 8.

The Board is of the view that the ARMC is able to assist the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure to ensure reliability and compliance with applicable financial reporting standards.

The ARMC chairman, Mr Khor Chin Fei together with all ARMC members, reviewed the Company's financial statements and Annual Audited Financial Statements in the presence of external auditors, prior to recommending them for the Board's approval and issuance to stakeholders.

8.5 Continuous professional development

To assist the Board in reviewing and scrutinising the information in terms of accuracy, adequacy and completeness for disclosure to ensure reliability and compliance with applicable financial reporting standards, all the ARMC members will undertake continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Board, through the recommendation of the NC and with the exception of the Directors who are also ARMC is generally satisfied that all the ARMC members are financially literature and have sufficient understanding of the Company's business.

Further details on the external programs attended by the ARMC members are set out in the CG Overview Statement of the Annual Report on page 27.

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

Part II – Risk Management and Internal Control Framework

9. Effective Risk Management and Internal Control Framework

9.1 Sound framework to manage risk

The Board recognises the importance of managing risks and maintaining a sound system of internal controls which cover risk management, financial, organisational, operational and compliance controls.

On-going reviews are performed on a quarterly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Such continuous review processes are conducted by the Company's Management Team as well as the Group's independent and sufficiently resourced internal audit function. The findings of the internal audit function are regularly reported to the ARMC.

Nevertheless, the Board has established Enterprise Risk Management framework. The ARMC is tasked to review the risk management policies and internal control procedures formulated by Management and make relevant recommendations to the Board for approval from time to time as to ensure, as far as possible, the protection of its assets and its shareholders' investments.

Details of the Company's risk management and internal controls framework are further elaborated in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report on pages 46 to 48 and 20 to 22 respectively.

9.2 Implementation of mitigating measures

The responsibilities of identifying and managing risks are delegated to the respective Heads of Department ("HoD"). The ARMC is responsible to review the effectiveness of the processes. Any material risk identified will be discussed and appropriate actions or controls will be implemented. This is to ensure the risk is properly monitored and managed to an acceptable level.

The ARMC will assist the Board in implementing and overseeing the risk management framework of the Group and reviewing the risk management policies formulated by Management and to make relevant recommendations to the Board for approval. Main features of the Company's risk management framework and internal controls system are further elaborated in the Statement on Internal Control and Risk Management of this Annual Report on page 20 to 22.

9.3 Risk Management Committee

As at the date of this Statement, the Company does not establish a Risk Management Committee. Having said that, the Board will endeavor to assess the viability of broadening the scope of duty and responsibilities of the ARMC as to cover the risk management of the various elements of the Company's business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II – Risk Management and Internal Control Framework (cont'd)

10. Effective Governance, Risk Management and Internal Control

10.1 Internal audit function

The Board of Directors has always placed significant emphasis on sound internal controls which are necessary to safeguard the Group's assets and shareholders' investment. Hence, the Board has delegated the implementation and monitoring of the internal control system to the Management and has engaged the services of an independent assurance provider to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. The internal auditors report directly to the ARMC on its activities based on the approved annual internal audit plans. The principal role of the internal auditors is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.

10.2 Competency of internal auditors

To ensure that the responsibilities of internal auditors are fully discharged, the ARMC shall review the adequacy of the scope, functions and resources of the internal audit function as well as the competency i.e. qualification and experience of the internal auditors on a yearly basis.

The internal auditors, Vaersa Advisory Sdn. Bhd. which are headed by the Executive Director, Mr Quincy Gan, are free from any relationships or conflicts of interest with those involved which could impair their objectivity and independence and is capable of carrying out internal audit reviews. The internal auditors carried out the internal audit reviews independently in accordance with the International Professional Practices Framework ("IPPF") and the risk-based audit plan approved by the Audit Committee. Premised on the performance assessment by the ARMC and feedback from the Management Team, the ARMC is satisfied that the internal auditors are free from any relationships or conflicts of interest with those involved which could impair their objectivity and independence and is capable of carrying out internal audit reviews.

An overview of the state of internal controls function within the Group, which includes the risk and key internal control structures, are set out in the ARMC Report and the Statement on Risk Management and Internal Control of this Annual Report on page 46 to 48 and page 20 to 23 respectively.

C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part I – Communication with Stakeholders

11. Continuous Communication between Company and Stakeholders

11.1 Effective, transparent and regular communication with its stakeholders

The Board recognises the importance of prompt and timely dissemination of information to shareholders and investors, in order for these stakeholders to be able to make informed investment decisions. LAMBO's website incorporates an Investor Relations ("IR") section which provides all relevant information on the Group and is accessible by the public. This section enhances the IR function by including share price information, all announcements made by the Company, annual reports, Board Charter and the corporate and governance structure of the Company.

The Company will continuously enhance the disclosures on its website for broader and effective dissemination of information to its stakeholders from time to time. The announcement of the quarterly financial results is also made via Bursa LINK in a timely manner as required under the Listing Requirements in ensuring equal and fair access to information by the investing public.

To promote the dissemination of the financial results of the Company to investors, shareholders and media as well as to keep the investing public and other stakeholders updated on the progress and development of the Group's business, the Board may conduct the open briefings from time to time in ensuring constant interactions with existing and prospective investors. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or phone. Primary contact details are set out at the Group's corporate website.

11.2 Integrated reporting

The Company has provided concise information in relation to its strategy, performance, governance and prospects through the Management Discussion and Analysis and the Sustainability Statement in this Annual Report on page 14 to 19 and page 52 respectively. This is to ensure that the stakeholders are well informed of the business and performance of the Company and to promote transparency and accountability of the Company.

To further improve the quality of information available to the shareholders and stakeholders and promote greater transparency and accountability on the part of the Company, the Board has prepared the Sustainability Statement in this Annual Report on page 52.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Part II – Conduct of General Meetings

12. Strengthen relationship between the Company and shareholders

12.1 Encourage shareholder participation at general meetings

The AGM represents the principal forum for dialogue and interaction with shareholders. At every AGM, the Board sets out the progress and performance of the Group since the last meeting held. Shareholders are encouraged to participate in the subsequent Question & Answer ("Q&A") session wherein the Directors, Company Secretaries and/or HoD as well as the Group's external auditors are available to respond to the queries raised. In the event that an answer cannot be readily given at the meeting, the Chairman will undertake to provide a written reply to the shareholder. Each item of special business included in the notice of meeting will be accompanied by a full explanation on the effects of a proposed resolution.

The Company dispatches its notice of AGM to the Shareholders at least twenty-eight (28) days before the AGM, in advance of the notice period as required under the Act and the Listing Requirements. The Board believes that the current practice would still allow the Shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney together with the Notice of AGM, which provides information to shareholders with regard to, among others, details of the AGM, their entitlement to attend the AGM, the right to appoint proxy and also qualification of proxy.

At the commencement of all general meetings, the Chairman will inform the Shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman will declare the number of proxy votes received, both for and against each separate resolution where appropriate. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.

As part of precautionary measures to curb the spread of Covid-19 and in view of the enforcement of Movement Control Order in Malaysia, LAMBO will conduct its forthcoming 20th AGM on a fully virtual basis through live streaming and online remote voting facilities to encourage safe and remote participation of shareholders. The administrative guide of the fully virtual AGM with registration and voting procedures is contained in the Annual Report. Shareholders who are unable to participate the AGM can authorise another person as their proxy/proxies to cast votes online on his/her behalf.

12.2 Effective communication and proactive engagements

All the Directors shall endeavor to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the AGM. The proceedings of the AGM include the Company's operating and financial performance for FYE2021. The Chairman will also invite shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote and/or during the Q&A session. The Directors, Management and external auditors will be in attendance to respond to the shareholders' queries. The Board will also share with the shareholders the Company's responses to questions submitted in advance of the AGM by the Minority Shareholder Watch Group, if any.

In addition to the above, the Company will look into allocation of time during AGM for dialogue with the Shareholders, if necessary to address the issues concerning the Group and to make arrangement for Officers of the Company to present and handle other face-to-face enquiries from the Shareholders.

C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Part II – Conduct of General Meetings (cont'd)

12. Strengthen relationship between the Company and shareholders (cont'd)

12.3 Facilitate greater shareholder participation at general meetings (cont'd)

Under Rule 8.29A(1) of the Listing Requirements, a PLC must, among others, ensure that any resolution set out in the notice of any general meeting, is voted by poll. For this purpose, the share registrar will be appointed as the Poll Administrator and an independent scrutineer will be appointed to validate the votes cast at the AGM.

In order to encourage shareholders to attend and participate in the general meetings, the Company will always make sure that its general meetings are to be held at an accessible location but not in remote areas.

The Board will consider leveraging technology to facilitate voting in absentia from time to time, to more fairly reflect shareholders' views and to ensure accurate and efficient outcomes of the voting process.

COMPLIANCE STATEMENT

The Board shall continue to strive for high standards of corporate governance throughout the Group. The Board considers and is satisfied that save and except for Practice Notes 4.5, 6.1, 7.2, 7.3, 8.2, 9.3 & 12.3 which are partially departed and/or not adopted as disclosed herein and in the CG Report, the Company has in all material aspects satisfactory complied with the principles and recommendations of the Code, the relevant chapters of the Listing Requirements on corporate governance and all applicable laws and regulations throughout FYE2021.

This Statement was made in accordance with the resolution of the Board of Directors dated 27 September 2021.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT

The Board of Directors (the "Board") of Lambo group Berhad ("LAMBO" or the "Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial year ended 31 May 2021.

COMPOSITION AND ATTENDANCE

The ARMC of Lambo Group Berhad ("the Company" or "LAMBO") comprises three (3) members, all of whom are all Independent Non-Executive Directors. This meets the requirements of Rule 15.09(1)(b) of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as Practice Note 8.4 of the new Malaysian Code on Corporate Governance ("MCCG"). The ARMC Chairman, Mr. Khor Chin Fei, is a member of the Malaysia Institute of Accountants ("MIA"). Accordingly, LAMBO also complies with Rule 15.09(1)(c)(i) of the Listing Requirements.

Should there be a vacancy in the ARMC resulting in the non-compliance of Rules 15.09(1) and 15.10 of the Listing Requirements, the Company must fill up the vacancy within three (3) months thereof. The ARMC members and their attendance records are outlined in the Corporate Governance ("CG") Overview Statement set out on page 24 of this Annual Report.

The Board, through the Nomination Committee ("NC") will review annually the terms of office of the ARMC members and assesses the performance of the ARMC through an annual Board Committee effectiveness evaluation. The Board is satisfied that during the financial year under review, the ARMC has been able to discharge its functions, duties and responsibilities in accordance with its Terms of Reference ("ToR") which are set out at its corporate website, thereby supporting the Board in ensuring appropriate CG standards within the Company and the subsidiaries ("Group").

The performance of ARMC would be assessed annually through ARMC evaluation and ARMC members' self and peer evaluation conducted by the ARMC, and Nomination Committee ("NC") would review the results of such assessments and report to the Board thereafter.

SUMMARY OF ACTIVITIES

The ARMC's activities during the financial year under review encompassed the following:

Activities with regards to external audit:

- Reviewed external audit scope and audit plans based on the external auditors' presentation of audit strategy and plan;
- Reviewed external audit results, audit reports, management letter and the response from the Management;
- Reviewed and evaluated factors relating to the independence of the external auditors. The ARMC worked closely with the external auditors in establishing procedures in assessing the suitability and independence of the external auditors, in confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Group in accordance with the independence criteria set out by the International Federation of Accountants and the MIA;
- Considered and recommended to the Board for approval of the audit fees payable to the external auditors; and
- Reviewed the performance and effectiveness of the external auditors in the provision of statutory audit services and recommended to the Board for approval on the re-appointment of external auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT (CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

The ARMC's activities during the financial year under review encompassed the following (cont'd):

Activities with regards to internal audit ("IA") and risk management:

- Reviewed IA's resource requirements, scope, adequacy and function;
- Reviewed of annual IA plan and programs;
- Reviewed IA reports, recommendations and Management's responses. Improvement actions in the areas of internal control, systems and efficiency enhancements suggested by the internal auditors were discussed together with the Management Team in a separate forum;
- Reviewed implementation of these recommendations through follow-up audit reports;
- Suggested on additional improvement opportunities in the areas of internal control, systems and efficiency improvement;
- Facilitated the establishment of the risk management framework and reviewed any significant proposed changes to risk management policies and strategies for adoption by the Board;
- Reviewed and monitored principal risks which may affect the Group directly or indirectly, and if deemed necessary, and recommended additional course(s) of action to mitigate such risks;
- Monitored the risk assessment results and communication to the Board with mitigating measures for consideration; and
- Assessed the actual and potential impact of any failure or weakness of the internal controls in place.

Activities with regards to financial statements:

- Reviewed annual report and the annual audited financial statements of the Company prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per the Malaysian Accounting Standards Board ("MASB");
- Reviewed the Group's compliance with the Listing Requirements, MASB and other relevant legal and regulatory requirements and deliberation on the emerging financial reporting issues pursuant to the introduction of new accounting standards and additional statutory/regulatory disclosure requirements with regards to the quarterly financial statements and annual audited financial statements; and
- Reviewed the unaudited financial results announcements before recommending them for Board's approval, focusing particularly on:
    - any change in accounting policies and practices;
    - significant adjustments arising from the audit
    - the going concern assumption; and
    - compliance with applicable financial reporting standards and other legal requirements.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT (CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

The ARMC's activities during the financial year under review encompassed the following (cont'd):

Other activities:

- Reviewed its ToR periodically and made recommendation to the Board on revision, if necessary;
- Reviewed any related party transactions entered into by the Company and the Group;
- Verified the options allocated under the Employee Share Option Scheme ("ESOS") in compliance with criteria as stipulated in the ESOS By-laws of the Company;
- Reviewed application of CG principles and the extent of the Group's compliance with the best practices set out under with the Code; and
- Reviewed the CG Overview Statement, CG Report, ARMC Report and the Statement on Risk Management and Internal Control for adoption by the Board.

Internal Audit Function

The purpose of the internal audit function is to provide the Board, through the ARMC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To provide an independent appraisal over the system of internal control of the Group to the ARMC, the Company outsources the internal audit function to an independent assurance provider ("internal auditors"). In this respect, the IA has added value by improving the control processes within the Group. The total costs incurred was amounted to RM27,000.

The internal audit activities were carried out based on a risk-based audit plan presented by the internal auditors to the ARMC for approval. The establishment of the audit plan took into consideration the corporate risk profile and input from Senior Management and the ARMC. The internal auditors highlighted to the ARMC the audit findings which required follow-up action by Management as well as outstanding audit issues which required corrective actions to ensure an adequate and effective internal control system within the Group.

To ensure that the responsibilities of internal auditors are fully discharged, the ARMC reviews the adequacy of the scope, functions and resources of the internal audit function as well as the competency of the internal auditors on a yearly basis.

The following IA activities were carried out by the internal auditors during the financial period under review:

i. Formulation of agreement with the ARMC on the risk-based IA plan that was consistent with the Company's objectives and goals;
ii. Conduct of various internal audit engagements in accordance with the annual IA plan;
iii. Following up on internal audit recommendations to ensure adequate implementation; and
iv. Reporting to the ARMC on the competency (i.e. qualification and experience) of its human resources on a yearly basis.

The internal audit conducted during the financial year under review did not reveal any weaknesses which would result in material losses, contingencies and uncertainties that would require a separate disclosure in this Annual Report.

Premised on the performance assessment and feedback by the Management Team, the ARMC is of the view that internal auditors, Vaersa Advisory Sdn. Bhd. are free from any relationships or conflicts of interest with those involved and is capable of carrying out the internal audit reviews.

This Report was made by the ARMC in accordance with a resolution dated 27 September 2021.

OTHER COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED

30% Private Placement

On 18 September 2020, the 30% Private Placement has been completed with the listing of 813,303,800 placement shares on the ACE Market of Bursa Malaysia Securites Berhad. As at 31 May 2021, status of utilisation of the proceeds raised is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Variation RM'000	Unutilised RM'000
E-commerce Business Expansion				
Marketing campaigns	18,232	(472)	315	18,075
System enhancement	5,000	(116)	–	4,884
Expansion of warehousing and delivery capability and capacity	4,500	–	–	4,500
Hiring of personnel	4,500	(1,551)	–	2,949
Office expansion	1,000	–	–	1,000
Estimated expenses for the Proposed Private Placement	800	(485)	(315)	–
Total	34,032	(2,624)	–	31,408

20% Private Placement

On 02 February 2021, the 20% Private Placement has been completed with the listing of 775,063,300 placement shares on the ACE Market of Bursa Malaysia Securites Berhad. As at 31 May 2021, status of utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Variation RM'000	Unutilised RM'000
Wine business				
Procurement of inventory	6,147	(11)	690	6,826
Setting up of a new warehouse	4,000	–	–	4,000
Marketing and promotion	5,000	–	–	5,000
Development of a new platform	2,000	(38)	–	1,962
Working capital	3,000	(720)	–	2,280
Estimated expenses for the Proposed Private Placement	940	(250)	(690)	–
Total	21,087	(1,019)	–	20,068

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving Directors' or substantial shareholders' interest, either still subsisting at the end of the financial year ended 31 May 2021 ("FYE2021") or entered into since the end of the previous financial year.

OTHER COMPLIANCE INFORMATION (CONT'D)

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During FYE2021, the Company has issued:

(a) 1,045,063,000 new ordinary shares pursuant to the ESOS for a total cash consideration of RM26,150,421; and

(b) 1,588,367,100 new ordinary shares pursuant to the Company's private placements for a total cash consideration of RM55,118,861.

The details of the issued and paid-up capital of the Company as at 31 May 2021 are as follows:

	No. of Shares	RM
As at 01 June 2021	2,354,449,999	100,457,832
Ordinary shares issued pursuant to the exercise of ESOS	1,045,063,000	35,969,276
Ordinary shares issued pursuant to Private Placement	1,588,367,100	55,118,861
Share issuance expenses	–	(735,388)
As at 31 May 2021	4,987,880,099	190,810,581

Other than the above-mentioned, the Company did not issue any options, warrants or convertible securities during the financial year under review.

4. AUDIT AND NON-AUDIT FEES

The fees payable to the external auditors, Messrs CAS Malaysia PLT in relation to the audit and non-audit services rendered to the Company and its subsidiaries for the financial year ended 31 May 2021 are as follows:

	The Company (RM)	The Group (RM)
Audit fees	120,000	192,452
Non audit fees	10,000	10,000

5. VARIATION IN RESULTS

There was no material variation between the audited results for FYE2021 and the unaudited results previously announced.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Directors of Lambo Group Berhad are required to prepare the financial statements which give a true and fair view of the financial position of the Group and of the Company as at 31 May 2021, and of the results and cash flows of the Group and of the Company for the financial year then ended. The financial statements are to be drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRSs"), the ACE Market Listing Requirements ("AMLR") of Bursa Securities and the provisions of the Companies Act 2016 (the "Act") in Malaysia.

In preparing these financial statements, the Directors have considered that:

- the Group and the Company have used appropriate accounting policies, and are consistently applied;
- reasonable and prudent judgments and estimates were made;
- disclosures and explanations were made in the financial statements;
- the applicable MFRSs and IFRSs in Malaysia have been followed, subject to any material departures; and
- the preparation of the financial statements is on a going concern basis, unless, it is inappropriate to presume that the Group and the Company will continue in business .

The Directors are responsible for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company, and to enable them to ensure that the financial statements comply with MFRSs, IFRSs, AMLR and the Act in Malaysia.

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

This Statement was approved by the Board of Directors' on 27 September 2021.

SUSTAINABILITY STATEMENT

Lambo Group Berhad ("**the Company**") and its subsidiaries (collectively referred to as "**the Group**") aspire to integrate sustainable practices into its business and align them to its vision, core values and business philosophy. The Group believes that this is key in ensuring the sustainability of its organisation's growth, and enhancing long-term shareholder value.

This sustainability statement outlines the Group's sustainability activities with respect to the following core areas throughout the financial year under review:

ECONOMIC

The Group principally operates and manages 2 online platforms, i.e.:

- its business-to-business (B2B) online shoe trading platform which matches medium-sized sportswear manufacturers with wholesalers and retailers in the People's Republic of China ("**PRC**"); and
- its business-to-consumer (B2C) e-commerce platform for consumers in Malaysia which provides a new avenue for retailers of fashion apparel, body care and home appliances to reach out to consumers.

The Group's online platforms is expected to support the retail market in the PRC and Malaysia. This will promote economic activity to take place in these countries, which will in turn generate jobs and foster economic prosperity.

ENVIRONMENTAL

The Group is committed to adopting environmental-friendly practices in its workplace.

The Group takes conscious steps towards reducing electricity consumption. Computer peripherals and lighting are switched off when not in use.

The Group also strives to minimise paper usage by reusing papers or envelopes whenever possible. It also encourages its employees to optimise the usage of electronic documents so as to only print hard copies when necessary.

SOCIAL

Employees are one of the most important assets in driving the Group's businesses and operations and the Group remains committed to the development and welfare of its employees. The Group strives to maintain an inclusive work culture in the workplace that supports diverse talents. Its employees are made up of individuals from a wide range of backgrounds working together with respect and embracing its differences.

The Group is committed to provide an equal opportunity in hiring, promoting and rewarding its employees. Every employee is given equal opportunity to rise up in their positions through hard work and dedication. The Group constantly provides opportunities for employees to enhance job knowledge and develop professional skills, by encouraging employees to undertake various types of training programs sponsored by the company.The Group also demonstrates its appreciation of its employees by offering multiple benefits and rewarding performance. Performance appraisal are conducted on annual basis.

CONCLUSION

With the abovementioned initiatives, the Group aims to uphold its integrity to preserve shareholders' interest, and stay relevant to its stakeholders. The Group will be continuously looking for new ways to incorporate sustainability practices into its business operations and adapt accordingly to remain at the forefront.

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 year ended 31 May 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of information technology related products and services.

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiaries are as disclosed in Note 8 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
(Loss)/profit for the financial year	(105,464,481)	4,436,658
Attributable to:		
Owners of the Company	(105,196,272)	4,436,658
Non-controlling interests	(268,209)	–
	(105,464,481)	4,436,658

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provision during the financial year except as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared since the end of the previous financial period. The directors do not recommend that a dividend to be paid in respect of the current financial year.

SHARES AND DEBENTURES

During the financial year, the Company increased its share capital from RM100,457,832 to RM190,810,581 through the following:

(a) 1,045,063,000 new ordinary shares at an exercise price range from RM0.015 to RM0.045 per ordinary share for a total cash consideration of RM26,150,421 and fair value of RM9,818,855 pursuant to the exercise of Employee Share Option Scheme ("ESOS");

(b) 1,588,367,100 new ordinary shares for a total cash consideration of RM55,118,861 pursuant to the Company's Private Placement; and

(c) an amount of RM735,388 was utilised out of the share capital for share issuance expenses.

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.

There were no debentures issued during the financial year.

WARRANTS

WARRANTS 2019/2024

The Company issued of 1,051,058,992 warrants on the basis of one (1) Warrant B for every two (2) existing ordinary shares in the Company were listed on the Bursa Malaysia Securities Berhad on 7 May 2019.

The 2019/2024 warrants will expire on 29 April 2024. The exercise period for the warrants 2019/2024 is five (5) years commencing from the date of issuance of the warrants. Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

There were no warrants being exercised during the financial year ended 31 May 2021.

The movements in the Warrants 2019/2024 is as follows:

		Number of warrants			
	Exercise price RM	**As at 01.06.2020 Units**	**Issued Units**	**Exercised Units**	**As at 31.05.2021 Units**
Warrants 2019/2024	0.160	1,051,058,992	–	–	1,051,058,992
		1,051,058,992	–	–	1,051,058,992

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES

At an Extraordinary General Meeting held on 15th August 2008, the shareholders of the Company approved the Employees' Share Option Scheme ("ESOS") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible employees.

The Board of Director of the Group has on 23 April 2020 announced that the Company has offered 438,000,000 share options to eligible employees under employee share option scheme ("ESOS").

The salient features and other terms of the ESOS are disclosed in Note 16 (c) to the financial statements.

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

		Number of options over ordinary shares			
Grant date	**Exercise price RM**	**As at 01.06.2020**	**Granted**	**Exercised**	**As at 31.05.2021**
23 April 2020	0.015	185,668,000	–	(185,668,000)	–
17 June 2020	0.020	–	131,895,000	(131,895,000)	–
30 June 2020	0.020	–	39,000,000	(39,000,000)	–
20 July 2020	0.045	–	12,000,000	(12,000,000)	–
04 November 2020	0.030	–	247,000,000	(247,000,000)	–
20 November 2020	0.038	–	60,000,000	(60,000,000)	–
09 December 2020	0.040	–	32,000,000	(32,000,000)	–
18 February 2021	0.025	–	243,000,000	(243,000,000)	–
15 March 2021	0.025	–	72,000,000	(72,000,000)	–
18 March 2021	0.025	–	22,500,000	(22,500,000)	–

DIRECTORS

The names of the directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

HJ. Abdullah Bin Abdul Rahman
Zhuang Guohua
Koo Kien Yoon
Ng Chee Kin
Khor Chin Fei

The names of the directors of the subsidiaries of the Company during the financial year until the date of this report, not including those directors listed above are:

Yee Yit Yang
Zhu Guohe
Kong Siang Shen
Fong Keng Chee

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares of the Company during the financial year were as follows:

	Number of ordinary shares			
Shareholdings in the name of director	**As at 01.06.2020**	**Acquired**	**Sold**	**As at 31.05.2021**
Direct interest				
Koo Kien Yoon	–	429,000	–	429,000

By virtue of their interests in the shares of the Company, all the above directors are also deemed to have interests in the shares of the subsidiary companies to the extent the directors have their interests.

Other than disclosed above, none of the other directors in office at the end of the financial year have any interest in the shares of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 24 to the financial statements.

None of the directors or past directors of the Group and of the Company have received any other benefits otherwise than in cash from the Group and the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors of the Group and of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

Since the end of the previous financial period, none of the directors of the Company have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised at their book values 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 had been written down to an amount which the current assets might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D)

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

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

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

(iii) 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; or

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

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

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

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

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 year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and 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 year 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 year in which this report is made.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Significant events during and subsequent to the financial year are disclosed in Note 28 to the financial statements.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 20 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 27 September 2021.

HJ. ABDULLAH BIN ABDUL RAHMAN
Director

KOO KIEN YOON
Director

STATEMENT BY DIRECTORS

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

We, HJ. ABDULLAH BIN ABDUL RAHMAN and KOO KIEN YOON, being two of the directors of LAMBO GROUP BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 68 to 145 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 27 September 2021.

HJ. ABDULLAH BIN ABDUL RAHMAN
Director

KOO KIEN YOON
Director

STATUTORY DECLARATION

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

I, KOO KIEN YOON, being the director primarily responsible for the accounting records and financial management of LAMBO GROUP BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 68 to 145 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
KOO KIEN YOON)
at Puchong in the state of Selangor Darul Ehsan)
on 27 September 2021) KOO KIEN YOON

Before me,

Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAMBO GROUP BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Lambo Group Berhad, which comprise the statements of financial position as at 31 May 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 68 to 145.

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

BASIS FOR OPINION

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

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

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

KEY AUDIT MATTERS

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

Key audit matters	How the matter was addressed in the audit
Significant foreign component *Refer to Note 8 - Investment in Subsidiary Companies* For the financial year ended 31 May 2021, the significant subsidiary, Fujian Accsoft Technology Development Co. Ltd., a company incorporated in China, were audited by component auditor ("CA") which contributed 96.3% (2020:98.9%) of total revenue of the Group amounted to RM23.8 million (2020: RM64.1 million). The subsidiary also accounted for approximately 58.3% (2020:96.5%) of total assets of the Group as at 31 May 2021. Special considerations were given in respect of the work performed by the CA. As we are responsible for the direction, supervision and performance of the group audit, such reference to the CA does not diminish our sole responsibility for the group audit opinion.	Our audit procedures include: i) Obtained an understanding of and assessing the CA's: - professional competence; - operating environment; and - compliance with ethical requirements relevant to the group audit. ii) Inquired component auditors on potential deficiencies in internal controls and fraud risk; iii) Jointly performed a full scope audit with the component auditors in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing on the financial statements of the subsidiary in PRC for group consolidation purpose; iv) Reviewed deliverables from component auditors in response to the Group Audit Instructions and assessed the impact on the Group financial statements; and v) Inquired management of the subsidiary on the latest status and business development plan including the gross loss position and had interviewed with certain customers and suppliers to understand the nature of transaction.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

KEY AUDIT MATTERS (CONT'D)

Key audit matters	How the matter was addressed in the audit
Other investments *Refer to Note 3.8 - Significant Accounting Policies and Note 10 - Other Investments* The carrying amount of the other investments of the Group as at 31 May 2021 is RM41.8 million, included in the other investments are investment in unquoted investment of RM26.9 million and quoted shares in Malaysia of RM14.9 million. We focused on the existence and valuation of these investments as they represent the most significant element of the total assets in the financial statements.	Our audit procedures include: i) For investment in quoted shares: - Agreed the quoted prices of other investment as at 31 May 2021 to closing price published by reference to externally available market data; and - Checked the record of sales and purchase of the quoted investment against the transactions to the supporting documentations and bank statements; ii) For unquoted investments: - Reviewed the Group's correspondence entered into in relation to the said investment; and - Made enquiries of management's judgement and basis for the potential impairment needed. iii) Obtained confirmation and statements from the financial institutions for ownership and valuation of the investments held by the Group.

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 our auditors' report thereon.

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

(i) 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.

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

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

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

(v) 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.

(vi) 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.

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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 subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

OTHER MATTERS

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

CAS MALAYSIA PLT
[No. (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

KONG JUNE HON
[No. 03258/05/2022(J)]
Chartered Accountant

Date: 27 September 2021

Puchong

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MAY 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM Restated
NON-CURRENT ASSETS					
Plant and equipment	5	147,202	143,157	10,356	15,263
Intangible assets	6	439,158	619,847	–	–
Right-of-use assets	7	90,287	144,797	–	–
Investment in subsidiary companies	8	–	–	250,002	250,002
Other investments	10	41,845,973	–	26,911,179	–
		42,522,620	907,801	27,171,537	265,265
CURRENT ASSETS					
Trade receivables	11	255,137	115,431	–	–
Other receivables and prepayments	12	1,131,701	66,320,727	286,348	–
Amount owing from subsidiary companies	9	–	–	130,498,592	70,809,743
Tax recoverable		86,042	218,904	4,468	34,698
Fixed deposits with licensed banks	13	32,445	32,273	5,662	5,568
Cash and bank balances	14	76,510,837	63,821,186	10,580,579	3,429,506
		78,016,162	130,508,521	141,375,649	74,279,515
TOTAL ASSETS		120,538,782	131,416,322	168,547,186	74,544,780

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM Restated
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	190,810,581	100,457,832	190,810,581	100,457,832
Reserves	16	(72,046,618)	28,647,699	(22,649,701)	(26,287,987)
Total equity attributable to owners of the Company		118,763,963	129,105,531	168,160,880	74,169,845
Non-controlling interest		(292,240)	(24,031)	–	–
TOTAL EQUITY		118,471,723	129,081,500	168,160,880	74,169,845
NON-CURRENT LIABILITY					
Lease liabilities	7	60,695	86,515	–	–
		60,695	86,515	–	–
CURRENT LIABILITIES					
Trade payables	17	251,251	249,298	229,853	229,853
Other payables	17	1,729,089	1,951,213	156,453	145,082
Lease liabilities	7	25,820	47,592	–	–
Provision for taxation		204	204	–	–
		2,006,364	2,248,307	386,306	374,935
TOTAL LIABILITIES		2,067,059	2,334,822	386,306	374,935
TOTAL EQUITY AND LIABILITIES		120,538,782	131,416,322	168,547,186	74,544,780

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

		Group		Company	
	Note	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
Revenue	18	24,771,337	64,783,647	–	–
Cost of sales		(82,941,015)	(46,254,367)	–	–
GROSS (LOSS)/PROFIT		(58,169,678)	18,529,280	–	–
Other operating income		786,090	2,289,235	5,702,039	176,509
Administrative expenses		(47,895,415)	(9,830,153)	(1,259,085)	(5,423,634)
(LOSS)/PROFIT FROM OPERATIONS		(105,279,003)	10,988,362	4,442,954	(5,247,125)
Finance cost	19	(11,208)	(12,551)	–	–
(LOSS)/PROFIT BEFORE TAXATION	20	(105,290,211)	10,975,811	4,442,954	(5,247,125)
Taxation	21	(174,270)	(4,833,213)	(6,296)	–
(LOSS)/PROFIT AFTER TAXATION		(105,464,481)	6,142,598	4,436,658	(5,247,125)
OTHER COMPREHENSIVE INCOME					
Foreign currency translation		5,300,327	1,345,410	–	–
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE FINANCIAL YEAR/ PERIOD		(100,164,154)	7,488,008	4,436,658	(5,247,125)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

		Group		Company	
	Note	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the company		(105,196,272)	6,171,444	4,436,658	(5,247,125)
Non-controlling interest		(268,209)	(28,846)	–	–
		(105,464,481)	6,142,598	4,436,658	(5,247,125)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME ATTRIBUTABLE TO:					
Owners of the company		(99,895,945)	7,516,854	4,436,658	(5,247,125)
Non-controlling interest		(268,209)	(28,846)	–	–
		(100,164,154)	7,488,008	4,436,658	(5,247,125)
Basic (loss)/earnings per share attributable to owners of the company (sen)	22	(2.75)	0.29		
Diluted (loss)/earnings per share attributable to owners of the company (sen)	22	(2.75)	0.27		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	Attributable to owners of the Company							
	Non-distributable				Distributable			
Group	**Share capital RM**	**Share option reserve RM**	**Foreign currency translation reserve RM**	**Warrant reserve RM**	**Retained earnings/ (accumulated loss) RM**	**Total RM**	**Non-controlling interest RM**	**Total RM**
Balance as at 1 June 2020	100,457,832	798,372	(3,742,570)	–	31,591,897	129,105,531	(24,031)	129,081,500
Loss for the financial year	–	–	–	–	(105,196,272)	(105,196,272)	(268,209)	(105,464,481)
Other comprehensive income:								
Foreign currency translation	–	–	5,300,327	–	–	5,300,327	–	5,300,327
Total comprehensive income/ (expense) for the financial year	–	–	5,300,327	–	(105,196,272)	(99,895,945)	(268,209)	(100,164,154)
Transaction with owners:								
- Exercise of ESOS	35,969,276	(9,818,855)	–	–	–	26,150,421	–	26,150,421
- Share option granted under ESOS	–	9,020,483	–	–	–	9,020,483	–	9,020,483
- Issuance of shares pursuant to private placement	55,118,861	–	–	–	–	55,118,861	–	55,118,861
- Share issuance expenses	(735,388)	–	–	–	–	(735,388)	–	(735,388)
Balance as at 31 May 2021	190,810,581	–	1,557,757	–	(73,604,375)	118,763,963	(292,240)	118,471,723

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

	Attributable to owners of the Company							
	Non-distributable				Distributable			
Group	**Share capital RM**	**Share option reserve RM**	**Foreign currency translation reserve RM**	**Warrant reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interest RM**	**Total RM**
Balance as at 1 January 2019	93,662,046	–	(5,087,980)	17,433,116	8,663,791	114,670,973	11,702	114,682,675
Profit for the financial period	–	–	–	–	6,171,444	6,171,444	(28,846)	6,142,598
Other comprehensive income:								
Foreign currency translation	–	–	1,345,410	–	–	1,345,410	–	1,345,410
Total comprehensive income/ (expense) for the financial period	–	–	1,345,410	–	6,171,444	7,516,854	(28,846)	7,488,008
Transaction with owners:								
- Conversion of warrants	1,925,778	–	–	(683,341)	–	1,242,437	–	1,242,437
- Warrants expired	–	–	–	(16,749,775)	16,749,775	–	–	–
- Exercise of ESOS	4,870,008	(1,085,028)	–	–	–	3,784,980	–	3,784,980
- Non-controlling decreasing from business combination	–	–	–	–	6,887	6,887	(6,887)	–
- Share option granted under ESOS	–	1,883,400	–	–	–	1,883,400	–	1,883,400
Balance as at 31 May 2020	100,457,832	798,372	(3,742,570)	–	31,591,897	129,105,531	(24,031)	129,081,500

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

	Attributable to owners of the Company			
	Non-distributable			
Company	**Share capital RM**	**Share option reserve RM**	**Accumulated losses RM**	**Total RM**
Balance as at 1 June 2020	100,457,832	798,372	(27,086,359)	74,169,845
Total comprehensive income for the financial year	–	–	4,436,658	4,436,658
Transaction with owners:				
- Exercise of ESOS	35,969,276	(9,818,855)	–	26,150,421
- Share option granted under ESOS	–	9,020,483	–	9,020,483
- Issuance of share pursuant to private placement	55,118,861	–	–	55,118,861
- Share issuance expenses	(735,388)	–	–	(735,388)
Balance as at 31 May 2021	190,810,581	–	(22,649,701)	168,160,880

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

		Attributable to owners of the Company			
		Non-distributable			
Company	**Share capital RM**	**Share option reserve RM**	**Warrant reserve RM**	**Accumulated losses RM**	**Total RM**
Balance as at 1 January 2019	93,662,046	–	17,433,116	(38,589,009)	72,506,153
Total comprehensive expense for the financial period	–	–	–	(5,247,125)	(5,247,125)
Transaction with owners:					
- Conversion of warrants	1,925,778	–	(683,341)	–	1,242,437
- Warrants expired	–	–	(16,749,775)	16,749,775	–
- Exercise of ESOS	4,870,008	(1,085,028)	–	–	3,784,980
- Share option granted under ESOS	–	1,883,400	–	–	1,883,400
Balance as at 31 May 2020	100,457,832	798,372	–	(27,086,359)	74,169,845

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

	Note	Group 01.06.2020 to 31.05.2021 RM	Group 01.01.2019 to 31.05.2020 RM	Company 01.06.2020 to 31.05.2021 RM	Company 01.01.2019 to 31.05.2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before taxation		(105,290,211)	10,975,811	4,442,954	(5,247,125)
Adjustments for:					
Allowance for impairment losses of:					
- Amount owing from subsidiary companies	9	–	–	114,389	147,296
- Investment in subsidiaries	8	–	–	–	30,918
- Other receivables	12	–	3,521	–	3,521
- Trade receivables	11	28,362	82,577	–	–
- Goodwill	6	–	72,790	–	–
Amortisation of intangible assets	6	180,689	263,434	–	–
Depreciation of plant and equipment	5	58,915	90,008	4,907	6,592
Depreciation of right-of-use assets	7	54,510	49,967	–	–
Fair value loss on other investments	20	30,594,224	–	–	–
Share option expenses	20	9,020,483	1,883,400	–	1,883,400
Interest expense on:					
- Lease liabilities	19	11,208	12,551	–	–
Unrealised loss on foreign exchanges - amount owing by subsidiary companies		–	4,535	–	2,157,880
Finance income:	20				
- Fixed deposits placed with licensed banks		(172)	(1,933)	(95)	(228)
- Cash and bank balances		(657,661)	(1,059,379)	(172,585)	(54,881)
Dividend income:	20				
- Other investment		(97,657)	–	(97,656)	–
Unrealised gains on foreign exchanges - amount owing by subsidiary companies		–	–	(5,344,703)	–
Operating (loss)/profit before working capital changes		(66,097,310)	12,377,282	(1,052,789)	(1,072,627)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

	Note	Group 01.06.2020 to 31.05.2021 RM	Group 01.01.2019 to 31.05.2020 RM	Company 01.06.2020 to 31.05.2021 RM	Company 01.01.2019 to 31.05.2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)					
Decrease/(increase) in receivables		65,020,958	(65,503,261)	(286,348)	–
(Decrease)/increase in payables		(220,171)	964,939	11,371	38,318
Cash used in operations		(1,296,523)	(52,161,040)	(1,327,766)	(1,034,309)
Interest paid		(11,208)	(12,551)	–	–
Income tax refund		25,615	74,136	25,615	3,136
Income tax paid		(67,023)	(6,625,091)	(1,680)	(2,788)
Net cash used in operating activities		(1,349,139)	(58,724,546)	(1,303,831)	(1,033,961)
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiary companies		–	–	(45,438,052)	(3,902,607)
Change in fixed deposits with maturity of more than 3 months		94	228	–	–
Net acquisition of other investment		(73,025,869)	–	(26,911,179)	–
Disposal of other investments		1,251,177	30,085,000	–	–
Purchase of plant and equipment	5	(57,991)	(59,837)	–	(1,600)
Purchase of right-of-use asset		–	(22,908)	–	–
Dividend received		97,657	–	97,656	–
Interest received		657,661	1,061,312	172,680	55,109
Net cash (used in)/generated from investing activities		(71,077,271)	31,063,795	(72,078,895)	(3,849,098)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

		Group		Company	
	Note	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Conversion of warrants	15	–	1,242,437	–	1,242,437
Exercise of ESOS	15	26,150,420	3,784,980	26,150,420	3,784,980
Proceeds from issuance of private placement	15	55,118,861	–	55,118,861	–
Share issuance expenses	15	(735,388)	–	(735,388)	–
Repayment of lease liabilities	7	(47,592)	(37,749)	–	–
Net cash generated from financing activities		80,486,301	4,989,668	80,533,893	5,027,417
Net increase/(decrease) in cash and cash equivalents		8,059,891	(22,671,083)	7,151,167	144,358
Effect of foreign exchange rate changes		4,629,854	1,318,918	–	–
Cash and cash equivalents as at beginning of the financial year/ period		63,826,754	85,178,919	3,435,074	3,290,716
Cash and cash equivalents as at end of the financial year/ period		76,516,499	63,826,754	10,586,241	3,435,074
Cash and cash equivalents comprise of:					
Fixed deposits placed with licensed banks	13	32,445	32,273	5,662	5,568
Cash and bank balances	14	76,510,837	63,821,186	10,580,579	3,429,506
		76,543,282	63,853,459	10,586,241	3,435,074
Fixed deposits with maturity of more than 3 months	13	(26,783)	(26,705)	–	–
		76,516,499	63,826,754	10,586,241	3,435,074

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2021

1. GENERAL INFORMATION

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

The Company's registered office is located at 3-2, 3rd Mile Square, No. 151, Jalan Kelang Lama, Batu 3 1/2, 58100 Kuala Lumpur.

The principal place of business of the Company is located at Lot 11.1, 11 Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, 47410, Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the financial year ended 31 May 2021 comprise the Company and its subsidiaries (together referred to as the “Group”). The financial statements of the Company as at and for the financial year ended 31 May 2021 do not include other entities.

The Company is principally engaged in investment holding and the provision of information technology related products and services.

The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 September 2021.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

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

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial period except for the changes stated in Note 2.3.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company have adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 June 2020:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement

Amendments to References to Conceptual Framework in MFRS Standards

The adoption of the above pronouncements did not have material impact on the financial statements of the Group and the Company.

2.3 Standard that has been early adopted by the Group and the Company

The Group has early adopted Amendments to MFRS 16 on COVID-19 related rent concessions. As a practical expedient, the Group and the Company as a lessee have elected not to assess whether a rent concession that meets conditions as set out in MFRS 16 is a lease modification. As such, any change in lease payments resulting from the rent concession shall be accounted as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs and is recognised directly to profit or loss. The adoption of this amendment had no material impact in the current financial year.

2.4 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board (""MASB"").

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 16	Leases

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

2.4 Standards issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	Agriculture
Amendments to Annual Improvements to MFRS Standards 2018-2020	

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements

Effective date to be determined by Malaysian Accounting Standards Board

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

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The directors do not expect any material impact to the financial statements of the above pronouncements.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

2.6 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 May 2021.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

All intercompany balances, income and expenses and unrealized gain or loss transactions between Group and subsidiary companies are eliminated.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other MFRSs.

All of the above will be accounted for from the date when control is lost.

The accounting policies for business combination and goodwill are disclosed in Note 3.3.

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated income statements and statements of comprehensive income and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3.2 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Business combination and goodwill

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of profit or loss and comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

All other business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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

If the business combination is achieved in stages, any previously held equity interest is remeasured at its fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

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

Computer equipment	15% - 33%
Furniture, fittings and equipment	8% - 10%
Renovation	10%

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.6 on impairment of non-financial assets.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economics benefits using reasonable and supportable assumptions that represent management's best estimate of the cost economic conditions that will exist over the useful life of the asset.

(a) Development expenditure

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

(i) its ability to measure reliably the expenditure attributable to the assets under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the developed assets; and

(v) the availability of adequate technical, financial and other resources to complete the assets under development.

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

(b) Amortisation

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

Development expenditure	20%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment of 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.

For goodwill, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or CGUs.

In assessing value in use, the estimated future cash flows expected to be generated by the assets 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 assets. 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 when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had 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. Impairment loss on goodwill is not reversed in a subsequent period.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets

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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

3.8.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, amount owing from subsidiaries, fixed deposit with licensed banks and cash and bank balances.

3.8.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets (cont'd)

3.8.2 Financial assets at FVOCI (cont'd)

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company did not hold any debt instruments at FVOCI at the current and previous financial year/period.

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocable elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly 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.

The Group and the Company did not hold any equity instruments at FVOCI at the current and previous financial year/period.

3.8.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets (cont'd)

3.8.3 Financial assets at FVTPL (cont'd)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

(a) the economic characteristics and risks are not closely related to the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's and the Company's financial assets at FVTPL include investment in quoted shares and unqoted investment at the current financial year end.

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 expired 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 other 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.

3.9 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance 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 balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime expected credit losses at each reporting date. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of financial assets (cont'd)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while the 12-month expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

In 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.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried 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 that financial asset have occurred.

3.10 Equity and reserve

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

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

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. This reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. The warrants reserve in relation to unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

3.11 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial liabilities (cont'd)

3.11.1 Financial liabilities at FVTPL

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 at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) 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 and the Company's key management personnel; or

(c) if a contract contains one or more embedded derivative 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 FVTPL are subsequently measured at 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 FVTPL 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 profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company do not have financial liabilities at FVTPL in the current and previous financial year/period.

3.11.2 Amortised cost

Other financial liabilities not categorised as FVTPL 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.

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases

3.12.1 Leases in which the Group is a lessee

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

(a) Right-Of-Use Assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use asset are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Building	2 years
Motor vehicles	5 years

(b) Lease Liabilities

The Group and the Company recognise lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date. The lease payments include fixed payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, less lease incentives receivable. The lease payments also include the exercise price of purchase option if the Group and the Company are reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases (cont'd)

3.12.1 Leases in which the Group is a lessee (cont'd)

(b) Lease Liabilities (cont'd)

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

(c) Short-term leases and leases of low-value assets

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

(d) Lease term

The lease term includes non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if the Group and the Company are reasonably certain to exercise that option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional two years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Borrowings (cont'd)

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.14 Income tax

3.14.1 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.

3.14.2 Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that 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.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Income tax (cont'd)

3.14.2 Deferred tax (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15 Provisions

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

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

3.16 Revenue recognition and other income

The Group recognises revenue from contracts with customers for goods or services based on the five-step model as set out in this standard:-

(i) Identify contracts with a customer.
(ii) Identify performance obligations in the contract.
(iii) Determine the transaction price.
(iv) Allocate the transaction price to the performance obligation in the contract.
(v) Recognise revenue when the Company satisfy a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time if the Group's performance:-

(i) Do not create an asset with an alternative use to the Group and have an enforceable right to payment for performance completed to-date; or
(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
(iii) Provided benefits that the customer simultaneously receives and consumes as the Group perform.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue recognition and other income (cont'd)

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based on asset for the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:-

3.16.1 Sale of goods

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

3.16.2 IT Consultancy, E-commerce services and logistic services

Revenue is recognised upon the rendering services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

3.16.3 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

3.16.4 Management fee

Management fee is recognised on an accrual basis.

3.17 Employee benefits

3.17.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual 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 leave are recognised when the absences occur.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Employee benefits (cont'd)

3.17.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

3.18 Foreign currency transactions and operations

3.18.1 Functional and presentation currency

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

3.18.2 Foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. 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.

3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues 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 maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are disclosed in Note 25, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Contingencies

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

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current financial year end and previous financial period end.

3.21 Related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- 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 venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(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, joint 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 entity.

3.22 Fair value measurement

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 place either in the principal market for the asset or liability or 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 by the Group and the Company.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 Fair value measurement (cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available 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 based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

3.23 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants and Employee Share Options into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

4.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, there were no critical judgements made by management on the amounts recognised in the consolidated financial statements.

4.2 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 described below. The Group and the Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group and of the Company. Such changes are reflected in the assumptions when they occur.

4.2.1 Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within a range of 3 to 13 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Group's and the Company's plant and equipment at the reporting date is disclosed in Note 5.

4.2.2 Amortisation of intangible assets

The cost of intangible assets are amortised on a straight-line basis over the asset's estimated economic useful lives. The estimated useful lives of other intangible assets are reviewed periodically, taking into consideration factors such as changes in technology. The amount and timing of recorded expenses for any period would be affected by the changes in the carrying amount.

The carrying amount of the Group's and the Company's intangible assets at the reporting date is disclosed in Note 6 to the financial statements.

4.2.3 Income taxes

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

4.2 Key sources of estimation uncertainty (cont'd)

4.2.4 Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geographical region, products type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in the Note 11.

4.2.5 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4.2.6 Share-based payments

The Company grants share options to directors and staffs who have met the specified conditions. The share options granted are measured at fair value at grant date using a trinomial option pricing model. The key assumptions or inputs used in the trinimial option pricing model include: (a) the current price, (b) the exercise price, (c) the risk-free rate, (d) the volatility of the share price (e) the dividend yield and (f) the time period to maturity, and with an adjustment for an early exercise of option based on the Group's and the Company's past experience with earlier exercises. As the volatility of the share price is estimated based on past price movements, the actual volatility may not coincide with the estimates made. Similarly, the actual early exercise of options granted may not coincide with the estimates made. These differences may affect the fair value measurement of the options granted but they are not adjusted retrospectively because the equity component of the options granted is not remeasured to fair value subsequent to their initial recognition.

The carrying amount of share option reserve and assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 16 (c).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PLANT AND EQUIPMENT

Group

2021	Computer equipment RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
At cost				
Balance as at 1 June 2020	850,191	122,669	19,255	992,115
Additions	52,743	5,248	–	57,991
Written off	(633,190)	–	(2,750)	(635,940)
Balance as at 31 May 2021	269,744	127,917	16,505	414,166
Less: Accumulated depreciation				
Balance as at 1 June 2020	767,066	78,729	3,163	848,958
Charge for the financial year	46,829	10,435	1,651	58,915
Exchange differences	(2,284)	(2,685)	–	(4,969)
Written off	(633,190)	–	(2,750)	(635,940)
Balance as at 31 May 2021	178,421	86,479	2,064	266,964
Net carrying amount				
Balance as at 31 May 2021	91,323	41,438	14,441	147,202

2020				
At cost				
Balance as at 1 January 2019	843,213	86,315	2,750	932,278
Additions	6,978	36,354	16,505	59,837
Balance as at 31 May 2020	850,191	122,669	19,255	992,115
Less: Accumulated depreciation				
Balance as at 1 January 2019	701,644	54,115	2,750	758,509
Charge for the financial period	65,209	24,386	413	90,008
Exchange differences	213	228	–	441
Balance as at 31 May 2020	767,066	78,729	3,163	848,958
Net carrying amount				
Balance as at 31 May 2020	83,125	43,940	16,092	143,157

5. PLANT AND EQUIPMENT (CONT'D)

Company

2021	Computer equipment RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
At cost				
Balance as at 1 June 2020	646,938	11,600	2,750	661,288
Written off	(633,190)	–	(2,750)	(635,940)
Balance as at 31 May 2021	13,748	11,600	–	25,348
Less: Accumulated depreciation				
Balance as at 1 June 2020	641,149	2,126	2,750	646,025
Charge for the financial year	3,747	1,160	–	4,907
Written off	(633,190)	–	(2,750)	(635,940)
Balance as at 31 May 2021	11,706	3,286	–	14,992
Net carrying amount				
Balance as at 31 May 2021	2,042	8,314	–	10,356

2020				
At cost				
Balance as at 1 January 2019	645,338	11,600	2,750	659,688
Additions	1,600	–	–	1,600
Balance as at 31 May 2020	646,938	11,600	2,750	661,288
Less: Accumulated depreciation				
Balance as at 1 January 2019	636,200	483	2,750	639,433
Charge for the financial period	4,949	1,643	–	6,592
Balance as at 31 May 2020	641,149	2,126	2,750	646,025
Net carrying amount				
Balance as at 31 May 2020	5,789	9,474	–	15,263

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INTANGIBLE ASSETS

Group

	Goodwill RM	Development Expenditure RM	Total RM
2021			
At cost			
Balance as at 1 June 2020	72,790	903,447	976,237
Written off	(72,790)	–	(72,790)
Balance as at 31 May 2021	–	903,447	903,447
Less: Accumulated amortisation and impairment loss			
Balance as at 1 June 2020	72,790	283,600	356,390
Amortisation for the financial year	–	180,689	180,689
Written off	(72,790)	–	(72,790)
Balance as at 31 May 2021	–	464,289	464,289
Net carrying amount			
Balance as at 31 May 2021	–	439,158	439,158
2020			
At cost			
Balance as at 1 January 2019/ 31 May 2020	72,790	903,447	976,237
Less: Accumulated amortisation and impairment loss			
Balance as at 1 January 2019	–	20,166	20,166
Amortisation for the financial period	–	263,434	263,434
Allowance for impairment loss	72,790	–	72,790
Balance as at 31 May 2020	72,790	283,600	356,390
Net carrying amount			
Balance as at 31 May 2020	–	619,847	619,847

6. INTANGIBLE ASSETS (CONT'D)

Impairment test for goodwill on consolidation

The movement in the accumulated impairment losses of goodwill during the financial year/period are as follows:

	Group	
	2021 RM	**2020 RM**
Balance as at beginning of the financial year/period	72,790	–
Impairment losses recognised during the financial year/period	–	72,790
Written off	(72,790)	–
Balance as at end of the financial year/period	–	72,790

(i) The goodwill arised during the acquisition of Gen M Prominent Sdn. Bhd.

7. LEASES

The Group as lessee

(i) Right-of-use assets

2021	**Building RM**	**Motor vehicles RM**	**Total RM**
At cost			
Balance as at 1 June 2020 / 31 May 2021	51,856	142,908	194,764
Less: Accumulated depreciation			
Balance as at 1 June 2020	23,767	26,200	49,967
Charge for the financial year	25,928	28,582	54,510
Balance as at 31 May 2021	49,695	54,782	104,477
Net carrying amount			
Balance as at 31 May 2021	2,161	88,126	90,287

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

(i) Right-of-use assets (cont'd)

2020	Building RM	Motor vehicles RM	Total RM
At cost			
Balance as at 1 January 2019	–	–	–
Additions	51,856	142,908	194,764
Balance as at 31 May 2020	51,856	142,908	194,764
Less: Accumulated depreciation			
Balance as at 1 January 2019	–	–	–
Charge for the financial period	23,767	26,200	49,967
Balance as at 31 May 2020	23,767	26,200	49,967
Net carrying amount			
Balance as at 31 May 2020	28,089	116,708	144,797

(ii) Lease liabilities

2021	Building RM	Motor vehicles RM	Total RM
Carrying amount			
Balance as at 1 June 2020	29,189	104,918	134,107
Lease payment	(27,600)	(31,200)	(58,800)
Interest expense	703	10,505	11,208
Balance as at 31 May 2021	2,292	84,223	86,515

7. LEASES (CONT'D)

The Group as lessee (cont'd)

(ii) Lease liabilities (cont'd)

2020	Building RM	Motor vehicles RM	Total RM
Carrying amount			
Balance as at 1 January 2019	–	–	–
New lease entered into during the financial period	51,856	120,000	171,856
Lease payment	(24,300)	(26,000)	(50,300)
Interest expense	1,633	10,918	12,551
Balance as at 31 May 2020	29,189	104,918	134,107

Represented by:	Group 2021 RM	Group 2020 RM
Current liabilities		
Secured		
Lease liabilities	23,528	20,695
Unsecured		
Lease liabilities	2,292	26,897
	25,820	47,592
Non-current liabilities		
Secured		
Lease liabilities	60,695	84,223
Unsecured		
Lease liabilities	–	2,292
	60,695	86,515

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. LEASES (CONT'D)

The Group as lessee (cont'd)

(ii) Lease liabilities (cont'd)

	Group	
	2021	**2020**
	RM	**RM**
Total lease liabilities		
Secured		
Lease liabilities	84,223	104,918
Unsecured		
Lease liabilities	2,292	29,189
	86,515	134,107

Rates of interest charged per annum:

	Group	
	2021	**2020**
	%	**%**
Lease liabilities owing to non-financial institutions	2.82	2.82
Lease liabilities owing to financial institutions	6.00	6.00

7. LEASES (CONT'D)

The Group as lessee (cont'd)

(ii) Lease liabilities (cont'd)

(a) Lease liabilities

	Group	
	2021 RM	**2020 RM**
Minimum lease payment		
- Not later than one year	33,492	58,800
- Later than one year but not later than five years	67,608	101,100
	101,100	159,900
Future finance charges on lease liabilities	(14,585)	(25,793)
Present value of lease liabilities	86,515	134,107

Present value of lease liabilities is analysed as follows:

	Group	
	2021 RM	**2020 RM**
Current liability		
- Not later than one year	25,820	47,592
Non-current liability		
- Later than one year but not later than five years	60,695	86,515
	86,515	134,107

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES

Company

	2021 RM	2020 RM
Unquoted shares, at cost		
- in Malaysia	1,164,541	1,164,541
- outside Malaysia	14,966	14,966
Balance as at end of the financial year/period	1,179,507	1,179,507
Less: Accumulated impairment losses		
Balance as at beginning of the financial year/period	929,505	898,587
Impairment losses recognised during the financial year/period	–	30,918
Balance as at end of the financial year/period	929,505	929,505
Net carrying amount		
Balance as at end of the financial year/period	250,002	250,002

The details of subsidiary companies are as follows:-

Name of subsidiaries	Principal place of business	Effective equity interest 2021	Effective equity interest 2020	Principal activities
Direct holding				
Lambopay Sdn. Bhd.	Malaysia	100%	100%	Dormant
Lambomove Sdn. Bhd.	Malaysia	100%	100%	Provision of logistic services
Lamboplace Sdn. Bhd.	Malaysia	100%	100%	Provision of E-commerce platform and IT consultancy services
Lambo Block Chain Pte. Ltd. *	Singapore	100%	100%	Dormant
Oriented Media Holdings Limited *	Hong Kong	100%	100%	Investment holding
Subsidiary company of Lamboplace Sdn. Bhd.				
Gen M Prominent Sdn. Bhd.	Malaysia	80%	80%	Provision of management consultancy activities, organisation, promotion and/or management of events

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The details of subsidiary companies are as follows:- (cont'd)

Name of subsidiaries	Principal place of business	Effective equity interest 2021	Effective equity interest 2020	Principal activities
Subsidiary company of Oriented Media Holdings Limited				
Fujian Accsoft Technology Development Co. Ltd. *	China	100%	100%	The business scope includes software development, internet information services, business management, consulting services, clothing, shoes and hats, leather products, sporting goods, knitwear, textiles, shoes, daily necessities, food, hardware products, arts and crafts products, electronic products, paper products, sanitary products, building materials, steels, machinery and equipment, chemical products (excluding hazardous chemicals), wholesale, after-sales service, warehousing services, network design, shoes and textile technology R&D and promotion.

* Audited by another firm of auditors other than CAS Malaysia PLT.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. AMOUNT OWING FROM SUBSIDIARY COMPANIES

	Company	
	2021 RM	2020 RM
Current assets		
Amount owing from subsidiary companies	130,760,277	70,957,039
Less: Accumulated impairment losses	(261,685)	(147,296)
	130,498,592	70,809,743

The amount owing from subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the accumulated impairment losses of amount owing from subsidiary companies during the financial year/period are as follows:

	Company	
	2021 RM	2020 RM
Balance as at beginning of the financial year/period	147,296	–
Impairment losses recognised during the financial year/period	114,389	147,296
Balance as at end of the financial year/period	261,685	147,296

10. OTHER INVESTMENTS

	Group		Company	
	2021	2020	2021	2020
Non-current assets	RM	RM	RM	RM
At fair value:				
Quoted shares in Malaysia	14,934,794	–	–	–
Unquoted investment	26,911,179	–	26,911,179	–
	41,845,973	–	26,911,179	–
At cost:				
Balance as at beginning of the financial year/period				
- Unquoted shares	336,182	336,182	336,182	336,182
- Unquoted investment	–	30,085,000	–	–
Disposal	–	(30,085,000)	–	–
Written off	(336,182)	–	(336,182)	–
Balance as at end of the financial year/period	–	336,182	–	336,182
Less: Accumulated impairment loss				
Balance as at beginning of the financial year/period	336,182	336,182	336,182	336,182
Impairment losses recognised during the financial year	–	–	–	–
Written off	(336,182)	–	(336,182)	–
Balance as at end of the financial year/period	–	336,182	–	336,182
Net carrying amount				
Balance as at end of the financial year/period	41,845,973	–	26,911,179	–

The fair value of the quoted equity instruments in Malaysia is measured based on quoted market value as at 31 May 2021.

11. TRADE RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade receivables, gross	466,637	298,569	–	–
Less: Accumulated impairment losses	(211,500)	(183,138)	–	–
Trade receivables, net	255,137	115,431	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. TRADE RECEIVABLES (CONT'D)

Movement in the accumulated for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'administrative expenses' in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

Group

	Lifetime ECL RM	Credit impaired RM	Total RM
2021			
Balance as at beginning of the financial year	–	183,138	183,138
Allowance for impairment losses	–	28,362	28,362
Balance as at end of the financial year	–	211,500	211,500
2020			
Balance as at beginning of the financial period	–	100,561	100,561
Allowance for impairment losses	–	82,577	82,577
Balance as at end of the financial period	–	183,138	183,138

Based on the Group's and the Company's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

11. TRADE RECEIVABLES (CONT'D)

The ageing of the receivables and provision for impairment losses provided for above are as follows:

Group

		Allowance for impairment loss		
	Gross carrying amount RM	**Collectively assessed RM**	**Individually assessed RM**	**Net balance RM**
2021				
Neither past due nor impaired	46,940	–	–	46,940
Past due 1 - 30 days	55,963	–	–	55,963
Past due 31 - 60 days	52,823	–	–	52,823
	155,726	–	–	155,726
Credit Impaired				
Past due more than 60 days	310,911	–	(211,500)	99,411
	466,637	–	(211,500)	255,137
2020				
Neither past due nor impaired	13,162	–	–	13,162
Past due 1 - 30 days	3,482	–	–	3,482
Past due 31 - 60 days	6,692	–	–	6,692
	23,336	–	–	23,336
Credit Impaired				
Past due more than 90 days	275,233	–	(183,138)	92,095
	298,569	–	(183,138)	115,431

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit term range from 30 to 90 days (2020: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. OTHER RECEIVABLES AND PREPAYMENTS

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Other receivables		9,359	21,285	3,521	3,521
Less: Accumulated impairment losses		(3,521)	(3,521)	(3,521)	(3,521)
		5,838	17,764	–	–
Deposits		837,068	8,658	–	–
Prepayments	(i)	288,795	66,294,305	286,348	–
		1,131,701	66,320,727	286,348	–

The movement in the accumulated impairment losses of other receivables during the financial year/period are as follows:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Balance as at beginning of the financial year/period	3,521	–	3,521	–
Allowance for impairment losses	–	3,521	–	3,521
Balance as at end of the financial year/period	3,521	3,521	3,521	3,521

(i) In the previous financial period, included in prepayment of the Group are deposits totalling RMB109,000,000 equivalent to RM66,293,800 paid to suppliers by one of its subsidiaries, Fujian Accsoft Technology Development Co. Ltd. for purchase of shoes for trading sales.

13. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
With maturity of 1 to 3 months	5,662	5,568	5,662	5,568
With maturity of more than 3 months	26,783	26,705	–	–
	32,445	32,273	5,662	5,568

The effective interest rates and maturity period of the fixed deposits with licensed banks at the reporting date are as follows:

Group	**2021**	**2020**
Effective interest rates	1.50% - 1.85%	2.60% - 2.95%
Maturity period	one month to one year	one month to one year

Company	**2021**	**2020**
Effective interest rates	1.50%	2.95%
Maturity period	one month	one month

14. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Analyse as:				
China Renminbi	46,085,435	60,314,075	–	–
Ringgit Malaysia	30,424,815	3,478,181	10,580,579	3,429,506
Singapore Dollar	587	28,930	–	–
	76,510,837	63,821,186	10,580,579	3,429,506

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. SHARE CAPITAL

	Group/Company			
	2021	2020	2021	2020
	Number of shares		RM	RM
Issued and fully paid:				
Balance at the beginning of the financial year/period	2,354,449,999	2,089,693,623	100,457,832	93,662,046
Conversion of warrants	–	12,424,376	–	1,925,778
Pursuant to exercise of ESOS	1,045,063,000	252,332,000	35,969,276	4,870,008
Private placement	1,588,367,100	–	55,118,861	–
Share issuance expenses	–	–	(735,388)	–
Balance at the end of the the financial year/period	4,987,880,099	2,354,449,999	190,810,581	100,457,832

During the financial year, the Company increased its share capital from RM100,457,832 to RM190,810,581 through the following:

(a) 1,045,063,000 new ordinary shares at an exercise price range from RM0.015 to RM0.045 per ordinary share for a total cash consideration of RM26,150,421 and fair value of RM9,818,855 pursuant to the exercise of Employee Share Option Scheme ("ESOS");

(b) 1,588,367,100 new ordinary shares for a total cash consideration of RM55,118,861 pursuant to the Company's Private Placement; and

(c) an amount of RM735,388 was utilised out of the share capital for share issuance expenses.

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.

16. RESERVES

		Group		Company	
		2021	2020	2021	2020
		RM	RM	RM	RM
Non-distributable:					
Foreign currency translation reserve	(a)	1,557,757	(3,742,570)	–	–
Warrant reserve	(b)	–	–	–	–
Share option reserve	(c)	–	798,372	–	798,372
Distributable:					
(Accumulated losses)/ retained earnings		(73,604,375)	31,591,897	(22,649,701)	(27,086,359)
		(72,046,618)	28,647,699	(22,649,701)	(26,287,987)

16. RESERVES (CONT'D)

(a) Foreign currency translation reserve

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

(b) Warrants reserve

WARRANTS 2019/2024

The Company's issuance of 1,051,058,992 warrants on the basis of one (1) Warrant B for every two (2) existing ordinary shares in the Company were listed on the Bursa Malaysia Securities Berhad on 07 May 2019.

The 2019/2024 warrants expired on 29 April 2024. The exercise period for the warrants 2019/2024 is five (5) years commencing from the date of issuance of the warrants. Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

There were no warrants being exercised during the financial year ended 31 May 2021.

		Number of warrants			
	Exercise price RM	As at 01.06.2020 Units	Issued Units	Exercised Units	As at 31.05.2021 Units
Warrants 2019/2024	0.160	1,051,058,992	–	–	1,051,058,992

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. RESERVES (CONT'D)

(c) Share option reserve

The salient features of the employees under employee share option scheme ("ESOS") are as follows:

(i) the ESOS Committee appointed by the Board of Directors to administer the ESOS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares in the Company;

(ii) the eligibility of a Director or employee of the Group to participate in the ESOS shall be at the discretion of the ESOS Committee, who shall take into consideration factors such as performance and seniority;

(iii) not more than 10% of the ESOS options shall be allocated to any individual eligible employee who, either single or collectively through persons connected with eligible employees, hold 20% or more of the issued and paid up share capital of the Company (excluding treasury shares, if any);

(iv) the option price for each share shall be based on the higher of five (5)-day volume weighted average price of the shares immediately preceding the date of offer with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the duration of the ESOS;

(v) the exercise price of ESOS or the number of shares granted to each grantee or the number of new shares and/or exercised price may be adjusted following any issue of additional shares by way of right issues, bonus issues or other capitalisation issue carried out by the Company while an option remain unexercised; and

(vi) the new shares allotted upon any exercise of the option shall rank pari passu in all respects with the existing ordinary shares of the Company except that the new shares shall not be entitled to any rights, dividends, allotment and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares.

The Board of Directors of Group has on 28 August 2020 announced that the Company has on 22 July 2020 resolved to extend its existing ESOS, which was due for expiry on 06 August 2020, for another five (5) years until 06 August 2025 in accordance with the terms of the ESOS By-Laws.

16. RESERVES (CONT'D)

(c) Share option reserve (cont'd)

Movement of ESOS during the financial year

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

	Exercise price	Number of options over ordinary shares			
Grant date	RM	As at 01.06.2020	Granted	Exercised	As at 31.05.2021
23 April 2020	0.015	185,668,000	–	(185,668,000)	–
17 June 2020	0.020	–	131,895,000	(131,895,000)	–
30 June 2020	0.020	–	39,000,000	(39,000,000)	–
20 July 2020	0.045	–	12,000,000	(12,000,000)	–
04 November 2020	0.030	–	247,000,000	(247,000,000)	–
20 November 2020	0.038	–	60,000,000	(60,000,000)	–
09 December 2020	0.040	–	32,000,000	(32,000,000)	–
18 February 2021	0.025	–	243,000,000	(243,000,000)	–
15 March 2021	0.025	–	72,000,000	(72,000,000)	–
18 March 2021	0.025	–	22,500,000	(22,500,000)	–

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

16. RESERVES (CONT'D)

(c) Share option reserve (cont'd)

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

Grant date	**23.04.2020**	**17.06.2020**	**30.06.2020**	**20.07.2020**	**04.11.2020**
Fair value of share options and assumptions	0.0043	0.0073	0.0075	0.0127	0.0115
Weighted average fair value of share option at grant date (RM)					
Weighted average share price (RM)	0.0250	0.0202	0.0204	0.0388	0.0299
Option life (years)	0.08	0.16	0.16	0.16	0.16
Risk-free rate (%)	2.92	2.91	2.86	2.64	2.69
Expected dividends (%)	–	–	–	–	–
Expected volatility (%)	217.50	229.77	233.53	239.46	247.22

Grant date	**20.11.2020**	**09.12.2020**	**18.02.2021**	**15.03.2021**	**18.03.2021**
Fair value of share options and assumptions	0.0175	0.0123	0.0098	0.0100	0.0101
Weighted average fair value of share option at grant date (RM)					
Weighted average share price (RM)	0.0420	0.0354	0.02490	0.0250	0.0251
Option life (years)	0.16	0.16	0.16	0.16	0.16
Risk-free rate (%)	2.66	2.75	2.99	3.49	3.42
Expected dividends (%)	–	–	–	–	–
Expected volatility (%)	247.56	247.78	253.44	257.73	258.06

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables	251,251	249,298	229,853	229,853
Add:				
Other payables	145,665	491,054	4,653	21,182
Accruals	1,566,943	1,460,159	151,800	123,900
Amount owing to a director	16,481	–	–	–
	1,729,089	1,951,213	156,453	145,082
Total financial liabilities	1,980,340	2,200,511	386,306	374,935

(i) The trade payables are non-interest bearing and the normal trade credit terms received by the Group and the Company range from 30 to 60 days (2020: 30 to 60 days).

(ii) The amount owing to a director is non-trade in nature, unsecured, interest-free and repayable on demand.

18. REVENUE

	Group	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
Wholesale of shoe products	22,603,809	52,297,408
IT Consultancy and E-commerce services	1,447,903	11,848,531
Logistic services	719,625	637,708
	24,771,337	64,783,647
Timing and recognition		
- At a point in time	23,323,434	52,935,116
- Over time	1,447,903	11,848,531
	24,771,337	64,783,647

19. FINANCE COST

	Group		Company	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
Interest expense on:				
Lease liabilities	11,208	12,551	–	–
	11,208	12,551	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
(Loss)/Profit before taxation is arrived at after charging:				
Allowance for impairment losses of:				
- Amount owing from subsidiary companies (Note 9)	–	–	114,389	147,296
- Investment in subsidiaries (Note 8)	–	–	–	30,918
- Other receivables (Note 12)	–	3,521	–	3,521
- Trade receivables (Note 11)	28,362	82,577	–	–
- Goodwill (Note 6)	–	72,790	–	–
Amortisation of intangible asset (Note 6)	180,689	263,434	–	–
Auditors' remuneration:				
- Statutory audit	192,452	145,564	120,000	105,000
- Other services	10,000	10,000	10,000	10,000
Depreciation of plant and equipment (Note 5)	58,915	90,008	4,907	6,592
Depreciation of right-of-use assets (Note 7)	54,510	49,967	–	–
Directors' remuneration (Note 24)	1,875,512	733,794	329,644	416,328
Employee benefits expenses (Note 23)	10,070,151	5,497,519	47,192	1,923,815
Fair value loss on other investment	30,594,224	–	–	–
Share option expenses				
- Key management personnel (Note 24)	1,241,160	–	–	–
- Staff (Note 23)	7,779,323	1,883,400	–	1,883,400
Rental of equipment	2,640	3,840	–	–
Unrealised loss on foreign exchanges - amount owing by subsidiary companies	–	4,535	–	2,157,880
Unrealised loss on foreign exchanges - other investment	186,478	–	186,478	–
arrived at after crediting:				
Interest income:				
- Fixed deposits placed with licensed banks	(172)	(1,933)	(95)	(228)
- Cash and bank balances	(657,661)	(1,059,379)	(172,585)	(54,881)
- Other investments	-	(1,205,223)	–	–
Dividend income:				
- Other investments	(97,657)	–	(97,656)	–
Management fees paid by a subsidiary company	–	–	(84,000)	(119,000)
Unrealised gains on foreign exchanges - amount owing by subsidiary companies	–	–	(5,344,703)	–

21. TAXATION

	Group		Company	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
Income taxation				
Provision for current financial year/period	167,974	4,833,213	–	–
Underprovision in the previous financial period	6,296	–	6,296	–
Tax expenses for the current financial year/period	174,270	4,833,213	6,296	–

Domestic current income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year/period. The corporate tax rate applicable to the China subsidiary of the Group was 25% (2020: 25%).

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

	Group		Company	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
(Loss)/profit before taxation	(105,290,211)	10,975,811	4,442,954	(5,247,125)
Tax at the statutory tax rate of 24% (2020: 24%)	(25,269,651)	2,634,195	1,066,309	(1,259,310)
Non-deductible expenses	17,537,584	101,258	2,347	48,150
Non-taxable income	(1,283,490)	–	(1,282,729)	–
Effect of different tax rates in other countries	4,658,481	196,098	–	–
Deferred tax assets not recognised during the financial year/period	4,525,050	1,901,662	214,073	1,211,160
Income taxation underprovided in the previous financial period	6,296	–	6,296	–
Tax expenses for the current financial year/period	174,270	4,833,213	6,296	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. TAXATION (CONT'D)

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

	Group		Company	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
(Taxable)/deductible temporary difference	(62,862)	(396,052)	184,116	(4,494)
Unutilised tax losses	26,052,179	7,614,948	2,690,130	1,988,966
Unabsorbed capital allowance	901,288	817,335	2,195	–
	26,890,605	8,036,231	2,876,441	1,984,472
Deferred tax assets not recognised at 24% (2020: 24%)	6,453,745	1,928,695	690,346	476,273

22. EARNINGS PER SHARE

(a) Basic (loss)/profit per ordinary share

Basic earnings per share is based on the earnings for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year/period calculated as follows:

	Group	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
(Loss)/profit attributable to owners of the Company (RM)	(105,196,272)	6,171,444
Weighted average number of ordinary shares on issue (units)	3,820,450,173	2,108,549,486
Basic (loss)/earnings per share for the financial year/period (sen)	(2.75)	0.29

(b) Diluted (loss)/profit per ordinary share

Diluted earnings per share is calculated by dividing the (loss)/profit for the year/period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year/period plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants and ESOS into ordinary shares.

22. EARNINGS PER SHARE (CONT'D)

(b) Diluted (loss)/profit per ordinary share (cont'd)

	Group	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
(Loss)/profit attributable to owners of the Company (RM)	(105,196,272)	6,171,444
Weighted average number of ordinary shared on issue (units)	3,820,450,173	2,108,549,486
Adjusted for:		
Assumed shares issued from the conversion of		
- Warrant 2019/2024 *	–	–
- ESOS	–	141,235,645
Adjusted weighted average number of ordinary shares on issue and issuable (units)	3,820,450,173	2,249,785,131
Fully diluted (loss)/earnings per share (sen)	(2.75) ^	0.27

* The exercise price of the Warrant 2019/2024 exceeds the average market price of ordinary shares during the financial year. Therefore, the warrant do not have any dilution effect on the weighted average number of ordinary shares.

^ The diluted loss per share for the current financial year is equal to the basic loss per share as the conversion of potential ordinary shares would decrease loss per share from continuing operations. Thus, the potential effect of the conversion of warrants would be anti-dilutive

23. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
Staff costs (excluding Directors):				
Salaries, bonuses, incentives, overtime, commissions, allowances and others	1,989,999	3,338,258	41,062	35,567
Pension costs: defined contribution plans	257,204	251,413	5,342	4,226
Social security costs	41,293	21,944	707	558
Employment insurance system	2,332	2,504	81	64
Share option expenses	7,779,323	1,883,400	–	1,883,400
	10,070,151	5,497,519	47,192	1,923,815

Employees benefit expenses excluding the aggregate amount of emoluments received and receivable by the key management personnel of the Group and of the Company during the financial year/period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. RELATED PARTY DISCLOSURES

(a) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year/period:

	Group		Company	
	31.05.2021 RM	31.05.2020 RM	31.05.2021 RM	31.05.2020 RM
Management fees charged to a subsidiary company:				
- Lambomove Sdn. Bhd.	–	–	84,000	119,000

(b) The key management personnel compensation are as follows:

	Group		Company	
	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM	01.06.2020 to 31.05.2021 RM	01.01.2019 to 31.05.2020 RM
Directors of the Company				
Executive directors:				
Salaries and other benefits	265,223	328,355	171,000	221,000
Defined contribution plans	21,186	30,111	19,644	27,828
	286,409	358,466	190,644	248,828
Non-executive directors:				
Fees	139,000	167,500	139,000	167,500
	425,409	525,966	329,644	416,328
Directors of the Subsidiary Companies				
Executive directors:				
Salaries and other benefits	168,000	179,500	–	–
Share option expenses	1,241,160	–	–	–
Defined contribution plans	7,943	11,328	–	–
	1,417,103	190,828	–	–
Non-executive directors:				
Fees	33,000	17,000	–	–
	1,450,103	207,828	–	–

25. SEGMENT INFORMATION

General information

The information reported to the Group's chief operating decision maker to make decision about resources to be allocated and for assessing their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transaction between reportable segments are measured on the basis that is similar to those external customers.

Segments statements of profit or loss and other comprehensive income are profit earned or loss incurred by each segments without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

(a) Geographical Segments

The Group operates mainly in wholesale of shoes product and IT consultancy and E-commerce in one principal geographical regions apart from Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	31.05.2021 RM	31.05.2020 RM	31.05.2021 RM	31.05.2020 RM
Based on location of customer				
Malaysia	922,407	681,727	27,550,121	862,979
People's Republic of China	23,848,930	64,101,920	14,972,499	44,822
	24,771,337	64,783,647	42,522,620	907,801

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. SEGMENT INFORMATION (CONT'D)

Measurement of Reportable Segments (cont'd)

(b) Business Segments

The reportable business segment of the Group comprise the following:

Wholesale of shoe product	Provision of wholesale product and Business to Business platform.
IT consultancy and E-commerce service	Provision of IT services to SME and Business to Customer platform e-commerce business.
Logistic	Provision for logistic, delivery of goods from transportation hubs to the final delivery destination.

Other non-reportable segments comprise operations of subsidiary companies which are inactive and dormant.

25. SEGMENT INFORMATION (CONT'D)

Measurement of Reportable Segments (cont'd)

(b) Business segment (cont'd)

	Wholesale of shoe product		IT Consultancy and E-commerce Services		Logistic		Others		Eliminations		Consolidated	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from external customers/ Total segment revenue	22,603,809	52,297,408	1,447,903	11,848,531	733,784	639,561	–	–	(14,159)	(1,853)	24,771,337	64,783,647
Results:												
Finance income	–	–	482,722	2,197,125	2,432	14,301	270,336	55,109	–	–	755,490	2,266,535
Amortisation of intangible assets	–	–	(180,689)	(263,434)	–	–	–	–	–	–	(180,689)	(263,434)
Allowance for impairment loss												
- Other receivables	–	–	–	–	–	–	–	(3,521)	–	–	–	(3,521)
- Trade receivables	–	–	–	–	(28,362)	(82,577)	–	–	–	–	(28,362)	(82,577)
Depreciation of plant and equipment	–	–	(45,470)	(76,844)	(8,538)	(6,572)	(4,907)	(6,592)	–	–	(58,915)	(90,008)
Depreciation of right-of-use assets	–	–	–	–	(54,510)	(49,967)	–	–	–	–	(54,510)	(49,967)
Finance costs	–	–	–	–	(11,208)	(12,551)	–	–	–	–	(11,208)	(12,551)
Taxation	6,579,040	(1,971,499)	(6,747,014)	(2,861,714)	–	–	(6,296)	–	–	–	(174,270)	(4,833,213)
Segment results	(45,886,991)	5,901,130	(57,857,321)	5,129,715	(881,983)	(1,900,092)	4,384,098	(5,312,640)	(5,222,284)	2,324,485	(105,464,481)	6,142,598
Segment assets	61,973,698	126,843,660	10,106,885	724,558	10,963,813	629,266	168,557,494	74,585,800	(131,063,108)	(71,366,962)	120,538,782	131,416,322
Unallocated assets	–	–	–	–	–	–	–	–	–	–	–	–
Total assets	–	–	–	–	–	–	–	–	–	–	120,538,782	131,416,322
Segment liabilities	90,351,852	63,407,561	25,861,419	4,506,093	16,408,425	5,191,896	557,485	522,828	(131,112,122)	(71,293,556)	2,067,059	2,334,822
Unallocated liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Total liabilities	–	–	–	–	–	–	–	–	–	–	2,067,059	2,334,822

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. SEGMENT INFORMATION (CONT'D)

Measurement of Reportable Segments (cont'd)

(c) Information about major customers

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

		Group	
		31.05.2021	31.05.2020
	Segment	RM	RM
Customer A	Wholesale of shoes product	7,260,601	16,766,616
Customer B	Wholesale of shoes product	6,836,992	15,892,809
Customer C	Wholesale of shoes product	8,506,216	19,610,577

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

26.1 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 the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks. Interest-bearing liabilities include finance lease liabilities.

The interest rates per annum on the financial liabilities are disclosed in Note 7.

The Group adopts a strategy of fixed rate borrowing to minimise exposure to interest rate risk. The Group and the Company also review their debt portfolio to ensure favourable rates are obtained.

The Group and the Company do not account sensitivity analysis for any fixed rate financial liabilities as a change in interest rates at the end of the reporting period would not affect the profit or loss.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.2 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 exposure to credit risk mainly arises from its receivables. Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. For bank balances, the Group and the Company minimises credit risk by dealing exclusively with reputable financial institution.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis through the review of receivables ageing.

The maximum exposure to credit risk is disclosed in Note 11 to the financial statements, representing the carrying amount of the trade receivables recognised on the statement of financial position.

(b) Other receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The maximum exposure to credit risk is disclosed in Note 12 to the financial statements, representing the carrying amount of the other receivable recognised on the statement of financial position.

(c) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(d) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the related companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 31 May 2021, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.3 Foreign currency risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currency giving rise to this risk is primarily China Renminbi ("RMB").

Foreign currency exposures in transactional currencies other than functional currencies are kept to an acceptable level. The Group and the Company have not entered into any derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial assets/(liabilities) of the Group and of the Company at year/period end that are not denominated in Ringgit Malaysia are as follows:

Group

2021	RMB RM	SGD RM	Total RM
Cash and bank balances	46,084,862	587	46,085,449
Trade and other receivables	915,763	–	915,763
Trade and other payables	(1,414,681)	(13,933)	(1,428,614)
	45,585,944	(13,346)	45,572,598

2020	RMB RM	SGD RM	Total RM
Cash and bank balances	60,314,075	28,930	60,343,005
Trade receivables	66,300,558	10,208	66,310,766
Trade payables	(1,564,691)	(30,071)	(1,594,762)
	125,049,942	9,067	125,059,009

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.3 Foreign currency risk (cont'd)

Company

2021	RMB RM	SGD RM	Total RM
Amount owing from subsidiary companies	88,936,598	69,355	89,005,953
	88,936,598	69,355	89,005,953

2020	RMB RM	SGD RM	Total RM
Amount owing from subsidiary companies	64,000,750	61,710	64,062,460
	64,000,750	61,710	64,062,460

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's and the Company's pre-tax (loss)/ profit to a reasonably possible change in the RMB, SGD and other exchange rates against the respective functional currencies of the Group and of the Company, with all other variables held constant.

		Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
RMB/RM	-strengthened 10%	4,558,594	12,504,994	8,893,660	6,400,075
	-weakened 10%	(4,558,594)	(12,504,994)	(8,893,660)	(6,400,075)
SGD/RM	-strengthened 10%	(1,335)	907	6,936	6,171
	-weakened 10%	1,335	(907)	(6,936)	(6,171)

26.4 Liquidity and cash flow risk

Liquidity risk is the risk 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 exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.4 Liquidity and cash flow risk (cont'd)

The following table sets 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). The effective interest rates of these financial liabilities are disclosed in the respective notes to the financial statements.

Group	Carrying amount RM	Contractual interest rate/coupon %	Contractual cash flows RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
2021						
Trade and other payables	1,980,340	–	1,980,340	1,980,340	–	–
Lease liabilities	86,515	2.82 - 6.00	101,100	33,492	67,608	–
	2,066,855		2,081,440	2,013,832	67,608	–
2020						
Trade and other payables	2,200,511	–	2,200,511	2,200,511	–	–
Lease liabilities	134,107	2.82 - 6.00	159,900	58,800	101,100	
	2,334,618		2,360,411	2,259,311	101,100	–

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.4 Liquidity and cash flow risk (cont'd)

Company	Carrying amount RM	Contractual interest rate/coupon	Contractual cash flows RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
2021						
Trade and other payables	386,306	–	386,306	386,306	–	–
	386,306		386,306	386,306	–	–
2020						
Trade and other payables	374,935	–	374,935	374,935	–	–
	374,935		374,935	374,935	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.5 Classification of financial instruments

	Group		Company	
	2021	2020	2021	2020
Financial assets	RM	RM	RM	RM
At amortised cost				
Trade receivables	255,137	115,431	–	–
Other receivables	842,906	26,422	–	–
Amount owing from subsidiary companies	–	–	130,498,592	70,809,743
Fixed deposits with licensed banks	32,445	32,273	5,662	5,568
Cash and bank balances	76,510,837	63,821,186	10,580,579	3,429,506
	77,641,325	63,995,312	141,084,833	74,244,817
At fair value through profit or loss				
Other investments	41,845,973	–	26,911,179	–
	41,845,973	–	26,911,179	–
	119,487,298	63,995,312	167,996,012	74,244,817

	Group		Company	
	2021	2020	2021	2020
Financial liabilities	RM	RM	RM	RM
At amortised cost				
Trade and other payables	413,397	740,352	234,506	251,035
Lease liabilities	86,515	134,107	–	–
	499,912	874,459	234,506	251,035

26.6 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value and those not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.6 Fair value of financial instruments (cont'd)

Group	Financial instruments that are carried at fair value			
	Level 1	Level 2	Level 3	Total
2021	**RM**	**RM**	**RM**	**RM**
Financial asset				
Other investments	41,845,973	–	–	41,845,973
	41,845,973	–	–	41,845,973

Group	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1	Level 2	Level 3	Total
	RM	**RM**	**RM**	**RM**
2021				
Financial liability				
Lease liabilities	–	–	86,515	86,515
	–	–	86,515	86,515
2020				
Financial liability				
Lease liabilities	–	–	134,107	134,107
	–	–	134,107	134,107

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.6 Fair value of financial instruments (cont'd)

Company	Financial instruments that are carried at fair value			
	Level 1	Level 2	Level 3	Total
2021	**RM**	**RM**	**RM**	**RM**
Financial asset				
Other investments	26,911,179	–	–	26,911,179
	26,911,179	–	–	26,911,179

Company	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1	Level 2	Level 3	Total
	RM	**RM**	**RM**	**RM**
2021				
Financial asset				
Amount owing from subsidiary companies	–	–	130,498,592	130,498,592
	–	–	130,498,592	130,498,592
2020				
Financial asset				
Amount owing from subsidiary companies	–	–	70,809,743	70,809,743
	–	–	70,809,743	70,809,743

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

26.6 Fair value of financial instruments (cont'd)

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

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

Level 2 fair value

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

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2020: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

Amount due to a subsidiary company and lease liabilities

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested in the directors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 May 2021.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital. The Group's and the Company's net debts include total liabilities less cash and cash equivalents. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Total liabilities	2,067,059	2,334,822	386,306	374,935
Less: Cash and cash equivalents	(76,543,282)	(63,853,459)	(10,586,241)	(3,435,074)
Net cash	(74,476,223)	(61,518,637)	(10,199,935)	(3,060,139)
Equity attributable to owners of the Company	118,763,963	129,105,531	168,160,880	74,169,845
Gearing ratio	– *	– *	– *	– *

* The Company is in a net cash position. Therefore, gearing ratio does not apply.

28. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

(i) The Company had on 13 July 2020 announced that its wholly-owned subsidiary, Oriented Media Holdings Limited in Hong Kong, had from 6 July 2020 till 10 July 2020 acquired 22,796,600 ordinary shares of Focus Dynamics Group Berhad ("FOCUS") at average price of RM1.1253 each ("FOCUS Shares") for a total cash consideration of RM25,653,013.98 ("Consideration") ("Investment") from open market.

On 19 November 2020, the Company has announced it subscribes in line with its entitlement of 22,796,600 ICPS with Warrant D in FOCUS at an issue price of RM0.0550 for a total cash consideration of RM1,253,813.

(ii) The Company had on 15 July 2020 announced a Private Placement exercise which involves the issuance of up to 813,303,800 new ordinary shares ("Placement Shares"), representing up to 30% of the total number of issued shares of the Company, at an issue price to be determined and announced at a later date ("Proposed Private Placement").

The Company had on 24 December 2020 announced a Private Placement exercise which involves the issuance of up to 775,063,300 new ordinary shares ("Placement Shares"), representing up to 20% of the total number of issued shares of the Company, at an issue price to be determined and announced at a later date ("Proposed Private Placement").

The Company has announced on the following in relation to the increase of its issued and full-up ordinary share capital pursuant to the private placement:

- On 25 August 2020, the Company issued 300,000,000 Placement Shares, at an issue price of RM0.0450 per Placement Share;
- On 18 September 2020, the Company issued 513,303,800 Placement Shares, at an issue price of RM0.0400 per Placement Share;
- On 15 January 2021, the Company issued 200,000,000 Placement Shares, at an issue price of RM0.0273 per Placement Share;
- On 20 January 2021, the Company issued 200,000,000 Placement Shares, at an issue price of RM0.0275 per Placement Share; and
- On 29 January 2021, the Company issued 375,063,300 Placement Shares, at an issue price of RM0.0270 per Placement Share.

(iii) The Board of Directors of Group has on 28 August 2020 announced that the Company has on 22 July 2020 resolved to extend its existing ESOS, which was due for expiry on 06 August 2020, for another five (5) years until 06 August 2025 in accordance with the terms of the ESOS By-Laws.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)

(iv) The Company had on 15 September 2020 announced that its wholly-owned subsidiary, Oriented Media Holdings Limited in Hong Kong, had from 15 September 2020 acquired 90,000,000 ordinary shares of K-Star Sports Limited ("KSTAR"), representing 19.78% of the issued and paid up capital of KSTAR, at RM0.1350 per share ("KSTAR Shares") for a total cash consideration of RM12,150,000 ("Consideration") ("Investment") from open market.

Subsequently, the Company had on 26 March 2021 announced that its wholly-owned subsidiary, Oriented Media Holdings Limited in Hong Kong, had acquired 34,600,000 ordinary shares of K-Star Sports Limited ("KSTAR"), representing 5.43%% of the issued and paid up capital of KSTAR, for a total cash consideration of RM7,958,000 ("Consideration") ("Investment") from open market.

(v) On 12 May 2021, the Company has announced its intention to undertake the following proposals:

(a) Share consolidation; and

(b) Renounceable rights issue of up to 1,207,787,815 new Shares ("Previous Rights Shares") together with up to 603,893,907 free detachable warrants in the Company ("Previous Warrants C") on the basis of 10 Previous Rights Shares together with 5 free Previous Warrants C for every 2 Consolidated Shares held by the entitled shareholders on an entitlement date to be determined.

Subsequently on 21 June 2021, Mercury Securities had, on behalf of the Board, announced that Bursa Securities Malaysia Berhad has, vide its letter dated 21 June 2021, approved the following:

(a) Share consolidation;

(b) listing and quotation of up to 1,207,787,815 Rights Shares to be issued pursuant to the Rights Issue with Warrants;

(c) admission to the official list and listing and quotation of up to 483,115,126 Warrants C to be issued pursuant to the Rights Issue with Warrants;

(d) listing and quotation of up to 147,148,256 Additional Warrants B; and

(e) listing and quotation of up to 147,148,256 new ordinary shares arising from exercise of the 147,148,256 additional Warrants B and up to 483,115,126 new ordinary shares arising from the exercise of the 483,115,126 Warrants C

The Rights Issue with Warrants has been completed on 13 September 2021 following the listing and quotation of 997,452,851 Rights Shares, 398,981,138 Warrants C and 52,552,670 additional Warrants B on the ACE Market of Bursa Securities. The effect to the financial statements will be reflected in the subsequent financial year.

28. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)

(vi) COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Malaysia and around the world. On 16 March 2020, the Malaysian Prime Minister announced Movement Control Order ("MCO") which includes closure of all government and private premises except those involved in essential services effective 18 March 2020 to 3 May 2020 and Conditional Movement Control Order ("CMCO") from 4 May to 9 June 2020 and Recovery Movement Control Order ("RMCO") from 10 June 2020 to 31 August 2020 and further extended RMCO to 31 December 2020. On 11 January 2021, the Malaysian Government announced the re-imposition the MCO for certain states of the country effective from 13 January 2021 to 4 February 2021 which was further extended to 5 March 2021 and entered CMCO thereafter. On 3 May 2021, the Government re-imposed MCO which will be effective from 6 May 2021 to 17 May 2021 for selective states. Meanwhile, due to the spike in the cases, on 10 May 2021, Government had announced that a nationwide MCO would be reinstated from 12 May 2021 to 7 June 2021 subsequently entered into different phases of the MCO. Consequently, the Covid-19 outbreak had resulted in travel restrictions, lockdown and other precautionary measures which has then brought significant economic uncertainties in Malaysia and markets in which the Group operates as well as may cause impact to the Group's revenue, earnings, cash flow and financial condition.

Impact from Covid-19 Pandemic

The Group's business operations have been slowed down due to the MCO and COVID-19 pandemic. The on-going global pandemic has resulted in lower sales demand during the financial year under review. As a measure to preserve cash for the deployment of B2C platform, the subsidiary in China sold and clear the shoes in stock at a discounted price.

Despite headwinds from uncertain economic environment, the management and the Board will be prudent and cautious in drawing up the Group's business plans for the financial year ending 31 May 2022. Nevertheless, the Board shall closely monitor the Group's operations and take the necessary steps to navigate its post-pandemic recovery to improve the performance of its operations.

29. COMPARATIVE FIGURES

(i) In previous financial period, the Group and the Company changed its financial year end from 31 December to 31 May. Accordingly, the financial statements of the Group and the Company for the current financial year ended 31 May 2021 covers a 12-month period compared to a 17-month period for the previous financial period ended of 31 May 2020, and therefore the comparative amounts are not comparable for the income statements, statements of comprehensive income, changes in equity, cash flows and the related notes.

(ii) The presentation and classification of items in current year's financial statements are consistent with the previous financial period and the following comparative figures which have been reclassified to conform with current year's presentation and to reflect appropriately the nature of the transactions:

As at 31 May 2020	As previously stated RM	Reclassification RM	As reclassified RM
Statements of financial position			
Non-current assets			
Amount owing from subsidiary companies	70,957,039	(70,957,039)	–
Accumulated impairment losses	(147,296)	147,296	–
Current assets			
Amount owing from subsidiary companies	–	70,957,039	70,957,039
Accumulated impairment losses	–	(147,296)	(147,296)

LIST OF DIRECTORS' HOLDINGS

AS AT 2/9/2021

No	Name of Directors	No of Warrant Direct	%	No of Warrant Indirect Interest	%
1	KHOR CHIN FEI	0	0.00	0	0.00
2	NG CHEE KIN	0	0.00	0	0.00
3	ZHUANG GUOHUA	0	0.00	0	0.00
4	HJ ABDULLAH BIN ABDUL RAHMAN	0	0.00	0	0.00
5	KOO KIEN YOON	0	0.00	0	0.00

No	Name of Directors	No of Shares Direct	%	No of Shares Indirect Interest	%
1	KHOR CHIN FEI	0	0.00	0	0.00
2	NG CHEE KIN	0	0.00	0	0.00
3	ZHUANG GUOHUA	0	0.00	0	0.00
4	HJ ABDULLAH BIN ABDUL RAHMAN	0	0.00	0	0.00
5	KOO KIEN YOON	17,160	0.00	0	0.00

ANALYSIS OF SHAREHOLDINGS

Issued and Paid Up Share Capital	**199,515,195 shares**
Class of Shares	**Ordinary shares**
Voting Rights	**One vote per ordinary share**
Number of Shareholders	**12,956**

	NO. OF HOLDERS	%	NO. OF HOLDINGS	%
Less than 100	1,325	10.23	34,236	0.02
100 to 1,000	2,354	18.17	1,270,453	0.64
1,001 to 10,000	6,273	48.42	26,544,398	13.30
10,001 to 100,000	2,743	21.17	79,256,788	39.72
100,001 to less than 5% of issued shares	261	2.01	92,409,320	46.32
5% and above of issued shares	0	0.00	0	0.00
TOTAL	**12,956**	**100.00**	**199,515,195**	**100.00**

LIST OF TOP 30 SHAREHOLDER AS AT 2 SEPTEMBER 2021

	NAME	NO OF HOLDINGS	PERCENTAGE
1	MAYBANK NOMIEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIREH EMAS MARKETING SDN BHD	2,798,700	1.40
2	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEU ING DEE (E-KKU/BFT)	2,750,000	1.38
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	2,500,000	1.25
4	MAYBANK NOMIEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WAN MOHD ZAHARI BIN WAN EMBONG (STF)	2,200,000	1.10
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SU YOU (E-KKU/BFT)	2,112,300	1.06
6	CHONG FOOK SOON	2,000,020	1.00
7	CHEN CHOON SENG	2,000,000	1.00
8	BOEY TZE BIN	1,843,552	0.93
9	KHOO KHA LANG	1,534,100	0.77
10	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JSOO SIEW SENG (CEB)	1,520,000	0.76
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AZRUI NIZAM BIN ITAM	1,464,000	0.74
12	YUEN JIA YI	1,422,000	0.71
13	JKENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR WILLIAM NG WEI LEN	1,400,000	0.70
14	LIM KIM YEW	1,383,084	0.69
15	SEAH BOON CHIM	1,340,400	0.67
16	TAN POW CHOO @ WONG SENG ENG	1,300,000	0.66
17	DATO' SRI WONG ING SOON	1,000,000	0.50
18	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AZRUI NIZAM BIN ITAM	1,000,000	0.50

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF TOP 30 SHAREHOLDER AS AT 2 SEPTEMBER 2021 (CONT'D)

	NAME	NO OF HOLDINGS	PERCENTAGE
19	LING SU YOU	1,000,000	0.50
20	CHOK PUI WOON	900,000	0.45
21	TANG SENG WAI	885,000	0.45
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITES ACCOUNT FOR CHIENG TIONG CHIN	840,000	0.42
23	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TAN E-DEN	837,000	0.42
24	EE SOO FENG	822,100	0.41
25	YEOH AH KIM	800,000	0.40
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SU YOU	739,800	0.37
27	SZE KOOI HOE	724,000	0.36
28	FOONG CHIN WEI	715,000	0.36
29	CHONG TAI MENG	712,000	0.36
30	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YAP CHING LOON	700,000	0.35
	Total Shares	**41,243,056**	**20.67**

ANALYSIS OF WARRANT B HOLDINGS

Number of Warrants B issued **42,042,350**
Number of Warrants B Unexercised **42,042,350**
Number of Warrant Holders **2,718**

	NO. OF HOLDERS	%	NO. OF HOLDINGS	%
Less than 100	778	28.62	7,996	0.02
100 to 1,000	460	16.92	229,121	0.54
1,001 to 10,000	840	30.91	3,929,811	9.35
10,001 to 100,000	563	20.71	17,304,002	41.16
100,001 to less than 5% of issued Warrants B	77	2.83	20,571,420	48.93
5% and above of issued Warrants B	0	0.00	0	0.00
TOTAL	**2,718**	**99.99**	**42,042,350**	**100.00**

LIST OF TOP 30 WARRANTS B HOLDERS AS AT 2 SEPTEMBER 2021

	NAME	NO OF HOLDINGS	PERCENTAGE
1	CHIA GUAN SENG	1,542,800	3.67
2	SEOW CHEE LEANG	1,020,000	2.43
3	GAN FOO YEW	900,000	2.14
4	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAM TOO KAM	807,600	1.92
5	TAM WENG HONG	713,400	1.70
6	HENG DING DING	700,000	1.67
7	SAW THEAN SOO	680,000	1.62
8	CHEN KWAI SAM	600,000	1.43
9	TEH GOAY LIN	590,000	1.40
10	NG YAU SEN	500,000	1.19
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TAI KUAN	450,000	1.07
12	HENG DING DING	440,000	1.05
13	TAN MAO LING	420,000	1.00
14	TOH SU-N	380,000	0.90
15	CHEN SI YAN	350,000	0.83
16	CHEAH CHAI LIAN	300,000	0.71
17	NG POH LIM	300,000	0.71
18	FOW CHEN YIN	272,000	0.65
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD TULASIAMAH A/P NADASON	260,000	0.62
20	SZE KOOI HOE	260,000	0.62
21	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YAU SEN	250,000	0.60
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG HONG KIAN	244,000	0.58
23	WONG CHEE THYE	240,000	0.57

ANALYSIS OF WARRANT B HOLDINGS (CONT'D)

LIST OF TOP 30 WARRANTS B HOLDERS AS AT 2 SEPTEMBER 2021 (CONT'D)

	NAME	NO OF HOLDINGS	PERCENTAGE
24	CHANDRAN A/L RAMOO	231,640	0.55
25	TANG CHU SANG	219,824	0.52
26	YU SHIN JAKE @ YEE SHIN JAKE	208,900	0.50
27	TAY YONG CHUEN	202,000	0.48
28	HO SIEW CHOY	200,000	0.47
29	JS PORTFOLIO SDN BHD	200,000	0.47
30	LEE BOON YEE	200,000	0.47
	Total Warrants B	**13,682,164**	**32.54**

LAMBO GROUP BERHAD
(Registration No.: 200001014881 / 517487-A)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	
Total No. of shares held	

I/We,..... NRIC/Passport No. .....
(FULL NAME IN CAPITAL LETTERS)

of .....
(FULL ADDRESS)

contact no..... email address ..... being a member / members of of **LAMBO GROUP BERHAD** hereby appoint(s):-

Full Name (in capital letters):	**NRIC/Passport No.:**
Full Address (in capital letters):	**Contact No.:** **Email Address:**

and/or

Full Name (in capital letters):	**NRIC/Passport No.:**
Full Address (in capital letters):	**Contact No.:** **Email Address:**

or failing him/her*, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Twentieth ("20th") Annual General Meeting ("AGM") of the Company to be conducted on a fully virtual basis through live streaming and online meeting platform provided by MLABS Research Sdn. Bhd. in Malaysia via its online platform at https://rebrand.ly/LamboAGM on Thursday, 28 October 2021 at 10.00 a.m. and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-.

No.	Ordinary Resolutions	For	Against
1	Payment of Directors' fees and allowances for the financial year ending 31 May 2022		
2	Re-election of Koo Kien Yoon		
3	Re-election of Khor Chin Fei		
4	Re-appointment of Messrs CAS Malaysia PLT as Auditors		
5	Renewal of authority for Directors to issue shares pursuant to Section 75 of the Companies Act 2016		

Please indicate with an "X" in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/ her discretion.

For appointment of two proxies, the percentage of shareholdings to be represented by each proxy is as follows:

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Dated this ..... day of 2021

.....
Signature of Shareholder(s) or Common Seal

IMPORTANT NOTICE ON REMOTE PARTICIPATION AND VOTING:

The 20th AGM will be conducted on a fully virtual basis through live streaming and online meeting platform provided by MLABS Research Sdn. Bhd. in Malaysia via its online platform at https://rebrand.ly/LamboAGM. According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, all meeting participants including the Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.

Members/Proxy(ies) are to attend, participate (including posting questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 20th AGM via the Remote Participation and Voting ("RPV") facilities provided by MLABS Research Sdn. Bhd. via its online platform at https://rebrand.ly/LamboAGM. Please follow the Procedures for RPV in the Administrative Guide for the 20th AGM and take note of the procedure in order to participate remotely via RPV.

NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 21 October 2021 shall be regarded as members and be entitled to attend, participate, speak and vote at the 20th AGM.
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.

3. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
5. Any alterations in the Proxy Form must be initialed by the member.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised.
7. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:

In Hardcopy Form

The proxy form or the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Shareworks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via facsimile no. 03-6201 3121 or via e-mail at ir@shareworks.com.my not less than twenty-four (24) hours before the time appointed for holding this meeting (not later than Wednesday, 27 October 2021 at 10.00 a.m.) or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 20th AGM to vote by poll.

By Electronic Form

The proxy form can be electronically submitted to the Share Registrar of the Company via ir@shareworks.com.my. All proxy form submitted must be received by the Company not less than twenty-four (24) hours before the time appointed for holding this meeting (not later than Wednesday, 27 October 2021 at 10.00 a.m.) or any adjourned meeting at which the person named in the appointment proposes to vote.

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Stamp

The Registrar
LAMBO GROUP BERHAD
Registration No.: 200001014881 (517487-A)

2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur
Malaysia

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LAMBO GROUP BERHAD

Company No. 200001014881 (517487-A)

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Lambo move

Lambo Cellar lamboCellar.com

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