Lambo™

GROUP BERHAD

Company No. 200001014881
(517487-A)

ANNUAL REPORT
2022

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BOARD OF DIRECTORS

HJ. ABDULLAH BIN ABDUL RAHMAN
Independent Non-Executive Chairman

KOO KIEN YOON
Executive Director

ZHUANG GUOHUA
Executive Director

NG CHEE KIN
Independent Non-Executive Director

KHOR CHIN FEI
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
KHOR CHIN FEI

Members
NG CHEE KIN
HJ. ABDULLAH BIN ABDUL RAHMAN

NOMINATION COMMITTEE

Chairman
HJ. ABDULLAH BIN ABDUL RAHMAN

Members
NG CHEE KIN
KHOR CHIN FEI

REMUNERATION COMMITTEE

Chairman
HJ. ABDULLAH BIN ABDUL RAHMAN

Members
NG CHEE KIN
KHOR CHIN FEI

EMPLOYEE SHARE OPTION SCHEME COMMITTEE

Chairman
HJ. ABDULLAH BIN ABDUL RAHMAN

Member
ZHUANG GUOHUA

COMPANY SECRETARIES

CHONG VOON WAH
SSM Practicing Certificate No.: 202008001343
MAICSA 7055003

THAI KIAN YAU
SSM Practicing Certificate No.: 202008001515
MIA 36921

REGISTERED OFFICE

22-09, Menara 1MK
No. 1 Jalan Kiara, Mont Kiara
50480 Kuala Lumpur
Tel : +603-2856 7333

AUDITORS

CAS Malaysia PLT
[201606003206 (LLP0009918-LCA) & (AF 1476)]
B-5-1, IOI Boulevard, Jalan Kenari 5,
Bandar Puchong Jaya,
47170 Puchong,
Selangor Darul Ehsan
Tel : 03-8075 2300
Fax : 03-8600 5463

SPONSOR

TA Securities Holdings Berhad
[197301001467 (14948-M)]
32nd Floor, Menara TA One
No. 22, Jalan P. Ramlee
50250 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : +603-2072 1277
Fax : +603-2032 1094

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
No. 2-1 Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur
Tel: +603 -6201 1120
Fax: +603 -6201 3121

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

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

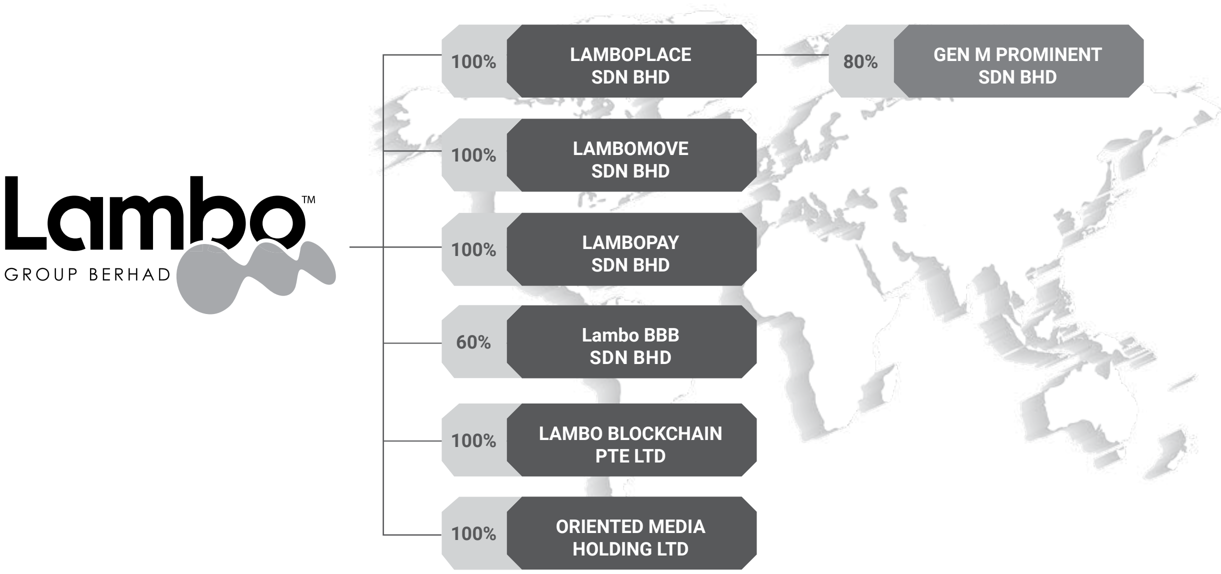
WEBSITE

www.lambogroup.my

INVESTORS RELATIONS

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	10	Provision of general trading and retail sales of any kind of products over the internet platform and wholesale of food, beverage and tobacco. Provision of operator of restaurant, bar and retail sale of food and beverages.
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 logistic services and sublease and administrator of right-of-use assets
Lambopay Sdn. Bhd.	Malaysia	100	Dormant
Lambo BBB Sdn. Bhd.	Malaysia	60	Dormant
Lambo Blockchain Pte. Ltd	Singapore	100	Dormant
Oriented Media Holdings Limited	Hong Kong	100	Investment holding

BOARD OF DIRECTORS' PROFILE

HJ. ABDULLAH BIN ABDUL RAHMAN

Independent Non-Executive Chairman

Age:
65 years

Gender:
Male

***Nationality**:*
Malaysian

Hj Abdullah Bin Abdul Rahman ("Hj. Abdullah"), was appointed as the Chairman of LAMBO on 29 March 2019. Hj Abdullah 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.

Hj. Abdullah is the Chairman of Nomination Committee, Remuneration Committee and Employee Share Option Scheme Committee and a member of Audit and Risk Management Committee of the Company.

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

ZHUANG GUOHUA

Executive Director

Age:
48 years

Gender:
Male

***Nationality**:*
People's Republic of China

Mr Zhuang GuoHua ("Mr Zhuang"), was appointed as the Executive Director of LAMBO on 26 May 2017. 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 was 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 was mainly in charge of the 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 is a member of the Employee Share Option Scheme Committee of the Company.

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

BOARD OF DIRECTORS' PROFILE (CONT'D)

KOO KIEN YOON
Executive Director

Age:
46 years

Gender:
Male

Nationality:
Malaysian

Mr Koo Kien Yoon ("Mr Koo") was appointed as the Executive Director of LAMBO on 4 April 2018. Mr Koo attended St Michael Institution in 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 a 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.

NG CHEE KIN
Independent Non-Executive Director

Age:
53 years

Gender:
Male

Nationality:
Malaysian

Mr Ng Chee Kin ("Mr Ng") was appointed as the Independent Non-Executive Director of LAMBO on 28 February 2013. Mr Ng is currently a financial consultant providing services for private entities and companies. He has been Director at Screenasia Network Sdn Bhd and E-Face Sdn Bhd since 2010. 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.

Mr Ng is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company.

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

BOARD OF DIRECTORS' PROFILE (CONT'D)

KHOR CHIN FEI

Independent Non-Executive Director

Age:
45 years

Gender:
Male

Nationality:
Malaysian

Mr Khor Chin Fei ("Mr Khor") was appointed as the Independent Non-Executive Director of LAMBO on 12 September 2014. Mr Khor graduated from the University of Technology, Sydney in 1999. He is a member of the Malaysian Institute of Accountants (MIA) and a Certified Practicing Accountants of Australia (CPAA). He accumulated 11 years of working experience in auditing, corporate finance. After few years of attachment 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 industry as well as advisory works since he left AmInvestment Bank in year 2010.

Mr Khor is the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee and Remuneration Committee of the Company.

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

Notes:

(i) All the Directors do not have any family relationship with any Director and/or Major Shareholder of LAMBO.

(ii) None of the Directors have been convicted of any offences other than traffic offences, if any, within the past five (5) years.

(iii) None of the Directors have any conflict of interest with the Company.

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

KEY SENIOR MANAGEMENT'S PROFILE

DATO' YAP TERNG SHENG

Age:
47 years

Gender:
Male

***Nationality**:*
Malaysian

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 developing 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 the information technology industry in the United States of America. He incorporated multiple IT companies, focuses on 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, provision of E-commerce platform and provision of logistic services.

In August 2019, the Group launched its own e-commerce marketplace known as "**LamboPlace**" in Malaysia. LamboPlace is an 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. Subsequently, the Group also launched its last-mile delivery services through its online delivery platform, "**LamboMove**".

In August 2021, the Group launched "**LamboCellar**". LamboCellar is a specialised platform intended to be a marketplace for both merchants and consumers to buy and sell wines and other liquor products. The Group also expanded its e-commerce fulfilment services, particularly in terms of warehousing and logistics

Financial highlights

	FPE 30 September 2022 (16mths)	FYE 31 May 2021 (12mths)	FYE 31 May 2020 (17mths)	FYE 31 December 2018 (12mths)	FPE 31 December 2017 (12mths)
Revenue	16,585,215	24,771,337	64,783,647	92,475,848	84,724,677
Operating (loss)/profit	(74,848,203)	(105,279,003)	10,988,362	23,038,818	25,602,956
(Loss)/Profit before taxation	(75,280,622)	(105,290,211)	10,975,811	23,038,818	25,602,956
Net (loss)/profit attributable to equity holders	(75,270,592)	(105,196,272)	6,171,444	16,814,006	19,176,165
Total assets	174,883,019	120,538,782	131,416,322	117,447,800	103,590,213
Total borrowings and lease liabilities	10,952,528	86,515	134,107	–	–
Shareholder equity	162,358,029	118,471,723	129,081.500	114,682,675	100,981,472
Basic earnings per share	(6.32)	(2.75)	0.29	0.81	2.30
Net assets per share	0.11	0.02	0.06	0.05	0.12

Review of Financial Results and Financial Condition

On 18 May 2022, the Group announced the change of its financial year from 31 May to 30 September. Therefore, the financial period covered in these financial statements is for a period of 16 months, from 1 June 2021 to 30 September 2022.

The Group's revenue decreased from RM24.77 million to RM16.59 million during the financial period ended ("**FPE**") 30 September 2022 as compared to the financial year ended ("**FYE**") 31 May 2021. All of the Group's revenue for the FPE 30 September 2022 was generated from Malaysia only.

The Group recorded a loss before taxation of RM75.28 million for the FPE 30 September 2022. The loss before tax was mainly due to the:-

(1) Fair value loss on other investment amounting to RM14.32 million;

(2) Expenses relating to the granting of Employee Share Option Scheme of RM7.44 million; and

(3) Bad debts written off on the amount owing by a former subsidiary company of RM38.01 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

As announced on 30 November 2022, the Group's subsidiary in China, Fujian Accsoft Technology Development Co Ltd ("Fujian Accsoft"), was deregistered and thus the Group has deconsolidated Fujian Accsoft during the current financial period. Therefore, the amount owing by Fujian Accsoft to the Group has been written off as bad debts.

Certain financial and non-financial indicators pertaining to our financial performance and financial position for the FPE 30 September 2022 and FYE 31 May 2021 are as follows:

	Audited FPE 2022 RM'000	Audited FYE 2021 RM'000
Our financial performance		
Revenue	16,585	24,771
GP / (GL)	634	(58,170)
Loss before tax ("**LBT**")	(75,281)	(105,290)
Income tax expense	–	(174)
LAT	(75,281)	(105,464)
GP / (GL) margin (%)	3.8	(234.8)
LBT margin (%)	(453.9)	(425.1)
LAT margin (%)	(453.9)	(425.8)
	As at 30 September 2022	**As at 31 May 2021**
Our financial position		
Non-current assets	119,647	42,523
Current assets	55,236	78,016
Non-current liability	9,566	61
Current liabilities	2,959	2,006
Shareholders' equity	162,358	118,471

Non-current assets mainly comprise property, plant and equipment of RM21.00 million in FPE 30 September 2022 (FYE 31 May 2021: RM0.15 million), investment properties of RM5.75 million in FPE 30 September 2022 (FYE 31 May 2021: NIL) and other investments of RM84.82 million in FPE 30 September 2022 (FYE 31 May 2021: RM41.84 million). The increase in property, plant and equipment was mainly due to the acquisition of a shoplot in Publika Shopping Gallery, Kuala Lumpur and renovation of a warehouse while the increase in other investments arose from acquisition of a new investment property in Desa Sri Hartamas, Kuala Lumpur.

Current assets decreased from RM78.01 million in FYE 31 May 2021 to RM55.23 million in FPE 30 September 2022 following the decrease in cash and cash equivalents. Cash and cash equivalents (including fixed deposits with licensed banks) decreased from RM77.37 million in FYE 31 May 2021 to RM44.89 million in FPE 30 September 2022, mainly due to the deconsolidation of Fujian Accsoft.

Non-current liabilities stem from the Groups' borrowings of RM2.33 million and lease liabilities of RM7.24 million. Current liabilities mainly comprise trade and other payables, as well as borrowings and lease liabilities. Other payables decreased from RM1.73 million in FYE 31 May 2021 to RM1.16 million in FPE 30 September 2022, as the Group cleared some of its accrued expenses.

Our business operations were financed by a combination of internal and external sources of funds. Internal sources of funds comprise mainly existing cash reserves, while the external funding is derived from sources such as credit terms granted by our suppliers, equity fund-raising as well as borrowings. The credit terms granted to us by our suppliers range from 7 to 60 days.

Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on our operations, performance, financial condition and liquidity.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CORPORATE EXERCISES

Multiple Proposals

On 12 May 2021 and subsequently on 9 June 2021, the Company announced its intention to undertake the following:

(i) proposed consolidation of every 25 existing ordinary shares in Lambo ("**Lambo Shares**" or "**Shares**") into 1 Lambo Share ("**Consolidated Share**") ("**Share Consolidation**"); and

(ii) proposed renounceable rights issue of up to 1,207,787,815 new Shares ("**Rights Shares**") together with up to 483,115,126 free detachable warrants in Lambo ("**Warrants C**") on the basis of 5 Rights Shares together with 2 free Warrants C for every 1 Consolidated Share held by the entitled shareholders on an entitlement date to be determined ("**Rights Issue with Warrants**").

The above mentioned corporate exercises were approved by the shareholders of the Company at an Extraordinary General Meeting held on 9 July 2021.

The Share Consolidation was completed on 27 July 2021 while the Rights Issue with Warrants was completed on 13 September 2021.

Anticipated or Known Risks

Market Competition

The Group faces competition from other e-commerce businesses which have a larger presence in Malaysia. 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 would need to constantly conduct market intelligence surveys to understand 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 vulnerable to cybersecurity concerns such as threats and hackers. The Group's e-commerce platform may also have the risk of being corrupted or that its hardware / software may encounter failure, affecting the business of the platform.

To address the above concerns, the Group focuses on enhancing the network security of the e-commerce platform and ensures that its servers are equipped with sufficient antivirus software. Further, the Group will continue to ensure the skills and competencies of its team in charge of technology, security and infrastructure are proficient by engaging competent professionals and supporting them to undergo training.

Dependence on Key Personnel

The Group relies on its key personnel and the loss of any key members of the Group's management and technical personnel could adversely affect its ability to compete.

The Group recognises the importance of attracting and retaining key personnel and will develop human resource initiatives that include, amongst others, competitive compensation packages as well as training and development programmes to retain its key personnel.

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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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, it is confident that it will be able to recruit suitable candidates to fill up any vacancies within a reasonable timeframe.

Investment Risk

Following the Group's increasing investments in quoted shares, it is exposed to uncertainties in the local and global economies and price fluctuations in its investments. These are beyond the Group's control and may adversely affect its investments. The Group endeavours to mitigate such risks via proper portfolio management and investment planning.

Industry Outlook

The Malaysian economy registered a strong growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%). Apart from the sizeable base effects from negative growth in the third quarter of 2021, the high growth was underpinned by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.9% (2Q 2022: 3.5%). Overall, the Malaysian economy expanded by 9.3% in the first three quarters of 2022.

Global growth is expected to slow going into 2023. The rebound from the reopening of the economies will wane, and growth would likely be weighed down by tighter global financial conditions and high inflation. Central banks, especially in advanced economies, have quickened the pace of monetary policy adjustments to contain inflation. This has led to significant spillovers to emerging market economies, through weaker currencies, tighter financial conditions and slower exports. While inflation is expected to ease in 2023, it would likely remain above average amid elevated commodity prices and tight labour markets. The inflationary pressure in Europe may be exacerbated by gas shortages and higher energy prices. This would dampen consumer spending and industrial production. These headwinds are likely to outweigh the lift from easing supply chain conditions and higher growth in China following the relaxation of its city-wide lockdowns.

The balance of risks to global growth remains tilted to the downside. Risks stem from further escalations of geopolitical tensions or more aggressive monetary tightening to manage persistent inflation. In addition, country-specific risks in China and Europe remain. They include risks of severe lockdowns and a deeper property market downturn in China, and energy rationing in Europe. In contrast, upside risks to global growth could arise from earlier-than-expected easing of China's zero COVID policy and faster-than-expected moderation in inflation, as supply-side pressures ease.

(Source: Quarterly Bulletin 3Q 2022, Bank Negara Malaysia)

Future Prospects

In 2023, the economic outlook will remain uncertain due to the volatility of the global economy. After the upliftment of social distancing measures and reopening of the Malaysian economy, the retail industry is on the path of recovery as consumers are returning to their usual shopping behaviour and patterns. The Group is cautiously implementing omni-channel approach (a multichannel approach to sales that seeks to provide customers with a seamless shopping experience, whether they are shopping online from a desktop or mobile device, or in a brick-and-mortar store). In January 2023, the Group started to operate a retail location to sell wine/liquor with food and other beverages, "La Fleur" in Publika Shopping Gallery, Kuala Lumpur. Further, the Group rented a warehouse to expand its e-commerce fulfilment hub. Moving forward, the Group is expected to increase its presence in these areas.

Nevertheless, the Group will continue to exercise caution and be alert of the changes in the local business environment and at the same time, seize potential business opportunities that will contribute positively to its financial performance. Based on the above, the Group is cautiously optimistic of its future prospects.

CORPORATE GOVERNANCE ("CG") 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 CG is being practiced by the Company and the subsidiaries ("Group" or "LAMBO 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 principles and recommendations as set out in the Malaysian Code on Corporate Governance ("MCCG"), the relevant chapters of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") on CG and all applicable laws and regulations throughout the financial period ended 30 September 2022 ("FPE2022").

The CG Overview Statement shall be read together with the CG Report 2022, available on the Company's website at www.lambogroup.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 – BOARD RESPONSIBILITIES

1. BOARD'S LEADERSHIP ON OBJECTIVES AND GOALS

1.1 Functions, roles and responsibilities of the Board

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;
- Overseeing and evaluating the conduct of the Group's businesses;
- Ensuring competent management;
- Ensuring the establishment of risk management framework and policies;
- Reviewing the adequacy and integrity of the internal control systems and management information systems which include sound system of reporting and in ensuring regulatory compliance with applicable laws, regulations, rules, directive and guidelines; and
- Acquisition and disposal of companies within the Group

The Board reserves 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.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART 1 – 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 to the respective Terms of Reference ("ToR") for the relevant Board Committees where specific powers of the Board are delegated to the relevant Board Committees. The Board Committees include the following:

- Audit and Risk Management Committee ("ARMC");
- Nomination Committee ("NC");
- Remuneration Committee ("RC"); and
- Employee Share Option Scheme ("ESOS") Committee.

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 at www.lambogroup.my.

The Board owes 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 4 meetings in a year. Board and Board Committee meetings are scheduled well in advanced, 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 Secretary in consultation with the Chairman. Decisions of the Board are made unanimously or by consensus. Where appropriate, decisions may be taken by way of Directors' Circular Resolutions between scheduled and special meetings.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART 1 – 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)

Save and except for Mr Zhuang GuoHua who has attended less than 50% of the total Board Meetings held during the FPE2022, the Board is satisfied with the level of time commitment given by other 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 period under review as set out as follows:

Meeting Attendance	Board	ARMC	NC	RC	ESOS	@AGM
Hj. Abdullah Bin Abdul Rahman	^6/6	5/5	^-	^-	-	^1/1
Mr Zhuang GuoHua	2/6	-	-	-	-	1/1
Mr Koo Kien Yoon	6/6	-	-	-	-	1/1
Mr Ng Chee Kin	6/6	5/5	-	-	-	1/1
Mr Khor Chin Fei	6/6	^5/5	-	-	-	1/1

@ Annual General Meeting ("AGM") held on 28 October 2021
^ Chairman of the Board or Board Committees or AGM

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 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretary, 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 the Company Secretary in writing. To ensure the Directors have the time to focus and fulfill their roles and responsibilities effectively, 1 criterion as agreed by the Board is that they must not hold directorships at more than 5 PLCs (as prescribed in Rule 15.06 of the 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.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART 1 – 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 period. 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 Malaysia Securities Berhad ("Bursa Securities") and were updated by the Company Secretary 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 period under review are as follows:

Board members	Courses/Training Programmes Attended
HJ. Abdullah Bin Abdul Rahman	Key Amendments to Listing Requirements 2022
Mr Zhuang GuoHua	–
Mr Koo Kien Yoon	1. Key Amendments to Listing Requirements 2022 2. MFRS 16: Disclosures – Best Practices
Mr Ng Chee Kin	Key Amendments to Listing Requirements 2022
Mr Khor Chin Fei	Key Amendments to Listing Requirements 2022

(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 Secretary 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.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

1. BOARD'S LEADERSHIP ON OBJECTIVES AND GOALS (CONT'D)

1.2 The Chairman of the Board

The Independent Non-Executive Chairman is not related to the Executive Director. The Independent Non-Executive Chairman 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 Independent 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 Independent Non-Executive Chairman plays a role in fostering constructive dialogue between shareholders, Board and Management.

1.3 Separation of Roles of Independent Non-Executive Chairman and Executive Directors

In order to foster a strong governance culture in the Group and to ensure a balance of power and authority, the roles of Independent Non-Executive Chairman and Executive Directors are strictly separated. The Company practices a division of responsibilities between the Independent Non-Executive Chairman and the Executive Directors. This is also to maintain effective supervision and accountability of the Board and Executive Management. The Independent Non-Executive Chairman is responsible for Board effectiveness and to ensure that the conduct and working of the Board is in an orderly and effective manner while the Executive Directors take on the primary responsibility of managing the Group's businesses and resources as well as overseeing and managing the day-to-day operations of the Group.

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 secretary 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 their 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 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.

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

1. BOARD'S LEADERSHIP ON OBJECTIVES AND GOALS (CONT'D)

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 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 deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries. Minutes of meetings are circulated and confirmed as a correct record by the Board and Board Committees at the next meeting.

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.

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 Board 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 Board Charter is available on the Company's corporate website at www.lambogroup.my.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

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 at www.lambogroup.my.

3.2 Formalised Policies and Procedures on Whistle-Blowing

To maintain the highest standard of ethical conduct, the Board also has a separate formal 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. All concerns raised will be investigated and whistle-blowers can report directly to the Independent Director.

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

3.3 Anti-Bribery and Corruption Policy ("ABC Policy")

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had adopted the ABC Policy which set out the Group's responsibilities in providing principles, guidelines and recommendation to the employees on the procedures to deal with solicitation, bribery and corruption that could possibly arise on the business dealing and operation activities.

The Company had also conducted briefings and trainings to all employees of the Group to create awareness on the ABC Policy to foster commitment of the employees in instil the spirit of integrity and avoid all forms of corruption practices within the organisation.

The ABC Policy is accessible by the public through the Company's corporate website at www.lambogroup.my.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

3. PROMOTING GOOD BUSINESS CONDUCT AND MAINTAINING A HEALTHY CORPORATE CULTURE (CONT'D)

3.4 Promote Sustainability

The Board has established a Sustainability Policy to demonstrate its commitment to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board and Senior Management of the Company recognises the importance of prioritising sustainability as part of its overall approach to value creation.

The policy outlines the general principles and structures the foundations that govern the sustainability strategy of the Group to ensure that all its corporate activities and businesses are carried out while enhance the sustainable creation of value for shareholders and taking into account the other stakeholders related to its business activities, natural resources, society and neighbouring communities, promoting the values of sustainability, integration and dynamism, favouring the achievement of the sustainable development goals.

The Board fulfils its responsibilities by delegating to the Management. The Management is responsible for implementing, overseeing and addressing all sustainability-related issues from stakeholders and update the Board on the Group's sustainability management performance, key material issues identified by stakeholders and planned follow-up measures.

PART II – BOARD COMPOSITION

4. BOARD'S OBJECTIVITY

4.1 Composition of the Board

The Company is led by an experienced Board consisting of individuals with appropriate knowledge and skills to enhance the growth of the Group's business with good corporate governance.

The Board comprises of 5 members, comprising of 1 Independent Non-Executive Chairman, 2 Executive Directors and 2 Independent Non-Executive Directors. In this respect, the Board complies with the recommendation of the MCCG of which at least 50% of the Board is Independent Director. In addition, LAMBO also complies with the requirement of the Listing Requirements for Independent Non-Executive Directors to make up at least 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 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 4 to 6 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

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

4. BOARD'S OBJECTIVITY (CONT'D)

4.2 Tenure of Independent Directors

In line with the MCCG, the Board has adopted the 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 said Director's re-designation as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of 9 years, the Board must justify the decision and seek shareholders' approval through a two-tier voting process at a general meeting, normally the Annual General Meeting ("AGM") of the Company.

As at FPE2022, the tenure of the Independent Non-Executive Directors of the Company are as follows:

	3-5 Years	7-9 Years	9-12 Years
Hj. Abdullah Bin Abdul Rahman	√		
Ng Chee Kin			√
Khor Chin Fei		√	

As of the date of the forthcoming AGM, Mr Ng Chee Kin ("Mr Ng") has been in office for a period of more than 9 years. The Board through the NC has assessed and determined that Mr Ng's vast and diverse range of experiences had brought the right mix of skills to the Board. As Director, he continues to bring independent and objective judgements to Board deliberations and decision-making process as a whole. The Board, therefore, endorsed the NC's recommendation for him to be retained as Independent Director of the Company. Thus, the Board shall seek shareholders' approval at the forthcoming AGM for Mr Ng to be retained as Independent Director through a two-tier voting process.

The key justifications for Mr Ng continuance as Independent Non-Executive Directors are as follows:

- he fulfills the criteria under the definition of Independent Director as stated in the Listing Requirements and, therefore, is able to bring independent and objective judgment to the Board as a whole;
- his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contribution and competence;
- he has been with the Company for a certain period and therefore understands the Company's business operations which enables him to contribute actively and effectively during deliberations or discussions at Board and Committee meetings; and
- he continues to be scrupulously independent in his thinking.

4.3 Diverse Board and Senior Management Team

The Company does not set specific criteria for the assessment and selection of director candidate. However, 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.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

4. BOARD'S OBJECTIVITY (CONT'D)

4.4 Gender Diversity Policy

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce gender diversity policy. The Board had adopted the Board Diversity Policy which sets out the Company's approach to diversity on the Board of LAMBO. The Board together with the NC will assess and evaluate current diversity levels, identify and analyse gaps and criteria for new board appointments, and thereafter recommend the strategies, objectives, targets and practical goals against an indicative time frame in order to maintain an appropriate range and balance of skills, experience and background on the Board. The Group will evaluate the suitability of candidates as a new Board member or as a member of the workforce based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practise discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

Currently, our Board does not comprise of any female director. In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of female director onto the Board in future to bring about a more diverse perspective.

4.5 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.

Before recommending an appointment to the Board, the NC will undertake a comprehensive evaluation and assessment of the candidates in accordance with the criteria as set out in the Directors' Fit & Proper Policy adopted by the Group. The NC also takes into accounts the Group's business and matches the capabilities and contribution expected for a particular appointment.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

4. BOARD'S OBJECTIVITY (CONT'D)

4.6 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.

The NC would carry out formal assessment evaluation the performance as well as identifying any gaps or areas of improvement of the Individual directors, Board and Board Committee annually. The NC also would identify the directors to be retired ("Retiring Directors") by rotation in accordance with the Constitution of the Company and assess the Retiring Directors' eligibility for re-election by considering their competencies, time commitment, contribution and their ability to act in the best interest of the Company. Based on the satisfactory evaluation of the respective director's performance and contributions to the Board, the NC then recommend to the Board the re-election of the Retiring Directors at the forthcoming AGM.

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 AGM.

4.7 Nomination Committee

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 the NC during the financial period 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;
- undertook annual assessment of its Independent Directors;
- reviewed the training needs for the Directors; 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.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

4. BOARD'S OBJECTIVITY (CONT'D)

4.8 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 5 years and has expired on 6 August 2020. It was extended for another 5 years and will be expire on 6 August 2025.

As at 30 September 2022, the total number of ESOS options granted, exercised and outstanding under the ESOS during the financial period are set out in the table below:

Category of Employees	No. of ESOS Options Over Ordinary Shares			
	Granted and Vested	Exercised	Lapsed/ Forfeited/ Revoked	Outstanding
Eligible Employees	378,785,000	343,531,000	35,254,000	–

Pursuant to the ESOS By-Laws, the aggregate maximum allocation of ESOS Options applicable to the eligible employee (including the allocation to the Directors and senior management) shall be determined by the ESOS Committee at its sole and absolute discretion.

The ARMC has verified and was satisfied that the allocation of ESOS Options to the eligible employees of the LAMBO Group during the FPE2022, were in accordance with the criteria of allocation of share options set out in the ESOS By-Laws.

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. 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 criteria used by the NC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. The Board did not engage any external party to undertake an independent assessment of the Directors.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

5. OVERALL BOARD EFFECTIVENESS (CONT'D)

5.1 Annual evaluation (Cont'd)

From the annual assessment and review conducted for FPE2022, save and except for Mr Zhuang GuoHua, who is currently uncontactable by the Company and has attended less than 50% of the total Board Meetings held during the FPE2022, the NC was satisfied that all other Directors 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, save and except for Mr Zhuang GuoHua, 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, save and except for Mr Zhuang GuoHua, 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.

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 are summarised as follows:

(a) The salary for Executive Director 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) The RC may obtain independent professional advice in formulating the remuneration package of its Directors.

For the FPE2022, the Board approved the RC's recommendation on Directors' fees and other benefits payable to Directors for the approval of the Shareholders at the forthcoming 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.

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

PART III - REMUNERATION (CONT'D)

6. LEVEL AND COMPOSITION OF REMUNERATION (CONT'D)

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 the 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 period under review were as follows:

- Reviewed and recommended the payment of Directors' fees and other benefits payable to the Directors for the shareholders' approval.

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 FPE2022 are as follows:

GROUP

Name	Fees RM'000	Salaries RM'000	Bonus RM'000	Allowance RM'000	Benefits in Kind RM'000	Other Emoluments RM'000	Total RM'000
Koo Kien Yoon	94	169	5	48	–	28	344
Zhuang GuoHua	–	–	–	–	–	–	–
Tn HJ. Abdullah Bin Abdul Rahman	85	–	–	–	–	–	85
Khor Chin Fei	85	–	–	–	–	–	85
Ng Chee Kin	98	–	–	–	–	–	98
Total	362	169	5	48	–	28	612

COMPANY

Name	Fees RM'000	Salaries RM'000	Bonus RM'000	Allowance RM'000	Benefits in Kind RM'000	Other Emoluments RM'000	Total RM'000
Koo Kien Yoon	–	169	5	48	–	28	250
Zhuang GuoHua	–	–	–	–	–	–	–
Tn HJ. Abdullah Bin Abdul Rahman	85	–	–	–	–	–	85
Khor Chin Fei	85	–	–	–	–	–	85
Ng Chee Kin	34	–	–	–	–	–	34
Total	204	169	5	48	–	28	454

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART III - REMUNERATION (CONT'D)

7. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT (CONT'D)

7.2 Details of Key Senior Management's remuneration

The Company notes the need for corporate transparency in the remuneration of its senior management executives, however, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure may be detrimental to the business interests and give rise to recruitment and talent retention issues. Thus, the Company is of the view that the interest of the shareholders will not be prejudiced as a result of the non-disclosure of the Group's senior management personnel who are not directors of the Company.

The remuneration of the senior management personnel, which is a combination of annual salary, bonus and benefits-in-kinds are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance and the overall performance of the Group. The aggregate remuneration of the top 5 senior management received for the FPE2022 was RM407,000 representing 8.8% of the total employees' remuneration of the Group.

The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and the top 5 senior management's total combined remuneration package should meet the intended objectives of the MCCG.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE

8. EFFECTIVE AND INDEPENDENT OF THE 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 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 Chairman 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

LAMBO recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. As recommended by MCCG, the Company will observe a cooling-off period of at least 3 years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group. Currently, none of the members of the Board nor the ARMC of the Company was former key audit partners of the external auditors appointed by the Group.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

8. EFFECTIVE AND INDEPENDENT OF THE ARMC (CONT'D)

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. Where necessary, the ARMC will meet with the external auditors without the presence of Executive Board member and Management to exchange free and honest views on issues which the external auditors may wish to discuss in relation to their audit findings.

The ARMC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the external auditors. The terms of engagement for services provided by the external auditors are reviewed by the ARMC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the ARMC.

To assess or determine the suitability and independence of the external auditors, the ARMC has taken into consideration of, among others, the following:

(a) the adequacy of the competency, experience and quality of the external auditors;

(b) the external auditor's resource capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;

(c) the nature of the non-audit services provided by the external auditors and fees paid for such services relative to the audit fee; and

(d) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditors.

Annual appointment or re-appointment of the external auditors is via shareholders' resolution at the AGM on the recommendation of the ARMC and the Board. The external auditors are being invited to attend the AGM of the Company to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

8. EFFECTIVE AND INDEPENDENT OF THE ARMC (CONT'D)

8.3 Policies and Procedures for Assessment of Suitability, Objectivity and Independence of External Auditors (Cont'd)

The ARMC had 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 FPE2022. The ARMC had obtained necessary assurance from CAS confirming 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. Having satisfied itself with their performance and technical competency as well as received the assurance from CAS as stated above, the Board approved the ARMC's recommendation for the shareholders' approval to be sought at the forthcoming AGM on the re-appointment of CAS as the external auditors of the Company for the financial year ending 30 September 2023.

8.4 ARMC Composition

The ARMC comprises of 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 2.

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.

8.5 Continuous Professional Development

Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Board of Directors' Profile in this Annual Report. The ARMC members continuously keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively.

Further details on the external programs attended by the ARMC members are set out in this Annual Report on page 15.

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

PART I – AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

8. EFFECTIVE AND INDEPENDENT OF THE ARMC (CONT'D)

8.6 Compliance with Applicable Financial Reporting Standards

The Board strives to provide shareholders with a balanced and meaningful evaluation of the Group's financial performance, financial position and prospects through the annual audited financial statements, interim financial reports, annual report and announcements to Bursa Securities.

The interim financial reports, annual audited financial statements and annual report of the Group for the FPE2022 are prepared in accordance with the Malaysian Financial Reporting Standards, Listing Requirements and the Companies Act, 2016. The ARMC assists the Board in overseeing the financial reporting processes and ensuring the quality of its financial reporting.

The statement by the Board pursuant to Rule 15.26(a) of the Listing Requirements on its responsibilities in preparing the financial statements is set out on page 36 of this Annual Report.

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.

The Board has established Enterprise Risk Management framework and 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.

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 page 33 to 35 and page 37 to 39 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 37 to 39.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

9. EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

9.3 Risk Management Committee

As at the date of this Statement, the Company does not establish a Risk Management Committee at Board level. 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.

Details of the main features of the Company's risk management and internal controls framework are further elaborated in the ARMC Report and the Statement on Internal Control and Risk Management of this Annual Report on page 33 to 35 and page 37 to 39 respectively.

10. EFFECTIVE GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL

10.1 Internal Audit Function

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.

For the FPE2022, the Group has outsourced its internal audit function to Vaersa Advisory Sdn. Bhd, a professional service firm ("Outsourced IA").

The Outsourced IA is headed by its executive director, Ms Tiffany Lim, who holds a Bachelor of Degree with the Institute of Internal Auditors Malaysia. The Outsourced IA has assigned 3 staff to provide internal audit services during the financial period. The work of the outsourced IA is guided by, in all material respect, the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors The internal audit function has been mandated to assess and monitor the Group's system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. 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 33 to 35 and page 37 to 39 respectively.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART I – ENGAGEMENT 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 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 Statements in this Annual Report on page 8 to 11 and page 43 to 62, 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.

PART II – CONDUCT OF GENERAL MEETINGS

12. STRENGTH RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDRES

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 Secretary 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 28 days before the AGM. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. This would allow the shareholders to make necessary arrangements to attend and participate in person, by corporate representative, by proxy or by attorney.

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. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.

CORPORATE GOVERNANCE ("CG") OVERVIEW STATEMENTS (CONT'D)

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

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

12. STRENGTH RELATIONSHIP BETWEEN THE COMPANY AND SHAREHOLDRES (CONT'D)

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 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.

Together with 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 Shareholders 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.

12.3 Facilitate Greater Shareholder Participation at General Meetings

Under Rule 8.31A(1) of the Listing Requirements, a public listed company 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.

With the outbreak of Coronavirus Disease ("COVID-19") and as part of the safety measures to curb the spread of the COVID-19 pandemic, the Twentieth (20th) AGM of the Company which was held on 28 October 2021 was conducted by way of a fully virtual basis and online remote voting using the Remote Participation and Voting Facilities and has been attended by all the Directors of the Company.

COMPLIANCE STATEMENT

Other than as disclosed and/or explained in this Annual Report and CG Report 2022, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

Moving forward, the Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders. The areas to be prioritised by the Board will be principles that have yet to be adopted by the Company as disclosed in the CG Report 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC") REPORT

COMPOSITION AND ATTENDANCE

The ARMC of Lambo Group Berhad ("the Company" or "LAMBO") comprises 3 members, all of whom are 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 Malaysian Code on Corporate Governance ("MCCG"). The ARMC Chairman, Mr Khor Chin Fei, is member of the Malaysia Institute of Accountants ("MIA"). Accordingly, LAMBO also complies with Rule 15.09(1)(c)(i) of the Listing Requirements. No alternate director is appointed as a member of the ARMC.

The record of attendance of the members of the ARMC for meeting held during the financial period ended 30 September 2022 ("FPE2022") is disclosed in the Corporate Governance ("CG") Overview Statement on page 14 of this Annual Report.

The terms of reference ("ToR") of the ARMC is available for download on the Company's website at www.lambogroup.my.

SUMMARY OF ACTIVITIES

During the financial period under review, the ARMC discharged its functions and duties in accordance with its existing ToR. The activities undertaken during the financial period under review are summarised broadly as follows:

(a) 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 and worked closely with the external auditors in establishing procedures in assessing the suitability and independence of the external auditors, in confirming that they were, and had 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
- Carried out assessment of the performance and suitability of Messrs CAS Malaysia PLT ("CAS") based on the quality of services and relationship with Management, ARMC and Board and that the ARMC has been satisfied with the independence, performance and suitability of CAS based on the assessment and is recommending to the Board and shareholders for approval on the re-appointment of CAS for the financial period ended 30 September 2022.

(b) 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 IA were discussed together with the Management Team in a separate forum;
- Reviewed implementation of these recommendations through follow-up audit reports;

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

SUMMARY OF ACTIVITIES (CONT'D)

(b) Activities with Regards to Internal Audit ("IA") and Risk Management: (Cont'd)

- Suggested on additional improvement opportunities in the areas of internal control, systems and efficiency improvement;
- Reviewed the risk management framework and 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 to the actual and potential impact of any failure or weakness of the internal controls in place.

(c) Activities with Regards to Financial Reporting

- Reviewed the quarterly unaudited financial results before recommending for Board's approval, focusing particularly on:
  - o any change in accounting policies and practices;
  - o significant adjustments arising from the audit;
  - o the going concern assumption; and
  - o compliance with applicable financial reporting standards and other legal requirements.
- Reviewed annual report and the annual audited financial statements of the Company prior to submission to the Directors for their perusal and approval 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"); and
- 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 of the Company.

(d) Other activities:

- Reviewed its ToR periodically and made recommendation to the Board on revision, if necessary;
- Reviewed any related party transactions, if any, 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 MCCG; and
- Reviewed the CG Overview Statement, CG Report, ARMC Report and the Statement on Risk Management and Internal Control for adoption by the Board.

AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT (CONT’D)

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 (“IA”). In this respect, the IA has added value by improving the control processes within the Group. The total costs incurred was amounted to RM40,500 for the FPE2022.

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.

An overview of the Group’s approach in maintaining a sound system of internal control is set out in the Statement on Risk Management and Internal Control on pages 37 to 39 of this Annual Report.

STATEMENT ON DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required under the Companies Act, 2016 to prepare the financial statements for each financial year. These financial statements are to be drawn up in accordance with applicable approved accounting standards other than private entities as issued by Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the year then ended.

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;
- The applicable approved accounting standards in Malaysia have been applied; and
- The preparation of the financial statements is on a going concern basis.

The Directors are responsible for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 2016.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Securities Berhad and guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" and with the Malaysian Code of Corporate Governance issued by Securities Commission Malaysia, the Board of Directors of the Company ("the Board") is pleased to present this Statement on Risk Management and Internal Control ("Statement") which outlines the governance policies, key elements, nature and scope of risk management and internal control of the Group during financial period ended 30 September 2022 ("FPE2022").

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibilities in maintaining a sound system of internal controls that covers financial, operational and risk management within the Group to meet its business objectives. The Board affirms its overall responsibility for reviewing the adequacy, integrity and effectiveness of the risk management and internal control 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 is of the view that the risk management and internal control system is in place for the period under review and is sound and adequate to safeguard shareholders' investment and the Group's assets.

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 processes. 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 the 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 period under review, the underlying principal risks of the Company are market competition, inability of management of information system to support the business operation and dependence on key management and investment risk.

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 Managing Director and they shall highlight those significant risks identified to 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.

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

RISK MANAGEMENT (CONT'D)

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 plan and processes 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.

INTERNAL CONTROL PROCESSES

The Group's internal control mechanism covers not only day-to-day operations but also 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 Terms of Reference ("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 conducted by independent professional firm. The internal control processes are reviewed and updated from time to time to ensure that they are relevant and effective when responding to changes in circumstances and external environment and 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 Director meets monthly with senior 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.

- There are policy and authority limits implemented on the Executive Director and Senior Management within the Group in respect of the day-to-day operations and financing, investments, acquisitions and disposal of assets.

- 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.

- The ARMC comprising entirely of Independent Non-Executive Directors, 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.

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

INTERNAL AUDIT

During the financial period under review, the Group has outsourced its internal audit function to Vaersa Advisory Sdn. Bhd., a professional service firm ("Outsourced IA").

The Outsourced IA is headed by its executive director, Ms Tiffany Lim, who holds a Bachelor Accounting Degree and fellow member with the Institute of Internal Auditors Malaysia. The Outsourced IA has assigned (3) staffs to provide internal audit services during the financial period. The work of the outsourced IA is guided by, in all material respect, the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors.

INTERNAL AUDIT (CONT'D)

The internal audit function has been mandated to assess the Group's system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. These plans are updated periodically and approved by the ARMC.

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 various internal audit engagements in accordance with the annual IA plan;

iii. Follow-up visits to ascertain that recommendations for improvements to the internal control systems have been satisfactorily implemented; and

iv. Reporting to the ARMC on the audit findings and recommendations to be undertaken for improvement.

During the financial period under review, the IA has conducted various assignments and made recommendations on improving the system of internal controls to the ARMC and the Board. The areas of IA covered are Credit Control Management and Risk Management Framework and Risk Register of the Group.

Based on the IA review conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainty that would require 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 are free from any relationships or conflicts of interest with those involved and can carry out the internal audit reviews independently and with objectivity. Accordingly, the ARMC and the Board agreed to continuously outsource the internal audit function in providing an independent appraisal on the adequacy and effectiveness of the Group's internal control system.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with 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 Rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board has received reasonable assurance from the Executive Director and Senior Management 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 was no significant weakness identified during the financial period under review in the system of risk management and internal control, contingencies or uncertainties that could result in material loss and adversely affect 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 on-going corrective measures.

Nevertheless, the Board recognises 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.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED

Save as disclosed below, there were no other proceeds raised from corporate proposal during the financial period ended 30 September 2022 ("FPE2022").

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 30 September 2022, the status of utilisation of the proceeds raised is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised RM'000
E-commernce Business Expansion			
Marketing campaigns	18,232	(3,375)	14,857
System enhancement	5,000	(2,067)	2,933
Expansion of warehousing and delivery capability and capacity	4,500	(3,563)	937
Hiring of personnel	4,500	(3,625)	875
Office expansion	1,000	–	1,000
Estimated expenses for the Private Placement	800	(485)	315
Total	34,032	(13,115)	20,917

20% Private Placement

On 2 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 30 September 2022, the status of utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised RM'000
Wine Business			
Procurement of inventory	6,147	(6,837)	(690)
Setting up of a new warehouse	5,000	(1,151)	3,849
Marketing and promotion	4,000	(525)	3,475
Development of a new platform	2,000	(298)	1,702
Working Capital	3,000	(2,659)	341
Estimated expenses for the Private Placement**	940	(250)	690
Total	21,087	(11,720)	9,367

** Surplus funds following the payment of expenses will be used for investment in wine business, i.e. procurement of inventory

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

1. UTILISATION OF PROCEEDS RAISED (CONT'D)

Right Issue with Warrants

On 13 September 2021, the Rights Issue with Warrants has been completed with the listing of 997,452,851 Rights Shares, 398,981,138 Warrants C and 52,552,670 additional Warrants B on the ACE Market of Bursa Malaysia Securities Berhad. As at 30 September 2022, the status utilisation of the proceeds raised is as follow:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised RM'000
System Enhancement	8,000	–	8,000
Purchase of motor vehicles	2,000	–	2,000
Expansion of warehousing capability and capacity	40,000	(19,411)	20,589
Marketing campaign	15,000	–	15,000
Acquisition and/or investments in complementary businesses and/or assets	20,000	(5,438)	14,562
Working capital	13,740	(2,246)	11,494
Estimated expenses for the Corporate Exercises	1,005	(979)	26
Total	99,745	(28,074)	71,671

2. MATERIAL CONTRACTS

There were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries ("Group") involving Directors' or substantial shareholders' interest, either still subsisting at the end of FPE2022 or entered into since the end of the previous financial year ended 31 May 2021.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During FPE2022, the Company has issued:

(a) 343,531,000 new ordinary shares pursuant to the ESOS for a total cash consideration of RM16,119,532; and

(b) 997,452,851 new ordinary shares pursuant to the Company's right issue for a total cash consideration of RM99,745,285.

The details of the issued and paid-up shares capital of the Company as at 30 September 2022 are as follows:

	No. of Shares	RM
As at 1 June 2021	199,515,195	190,810,581
Ordinary shares issued pursuant to the exercise of ESOS	343,531,000	22,902,946
Ordinary shares issued pursuant to Right Issue with free warrant	997,452,851	45,763,137
Share issuance expenses	–	(979,283)
As at 30 September 2022	1,540,499,046	258,497,381

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Additional Warrants B (2019/2024)

As at 30 September 2022, the total numbers of additional Warrants B which remained unexercised were 52,552,670 and the expiry date is on 29 April 2024.

Warrants C

As at 30 September 2022, the total numbers of Warrants C which remained unexercised were 398,981,138 and the expiry date is on 6 September 2024.

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

4. AUDIT AND NON-AUDIT FEES

During the FPE2022, audit and non-audit fees incurred for services rendered to the Company and/or its subsidiaries by the Company's external auditors, Messrs. CAS Malaysia PLT were as follows:

	The Company RM	**The Group RM**
Audit Services Rendered	100,000	138,000
Non-Audit Services Rendered		
(a) Review of Statement of Risk Management and Internal Control	10,000	10,000
(b) Limited Review	75,000	75,000

5. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

Save for such disclosure made in note 29 of the audited consolidated financial statements on pages 152 to 155 of this Annual Report, there were no other material recurrent related party transactions entered by the Group during the financial year under reviewed.

SUSTAINABILITY STATEMENTS

ABOUT THE REPORT

The Report

Since the first Sustainability Report ("**Report**") was first released in 2018, Lambo Group Berhad ("**Lambo**") has issued the Report for five consecutive years. The Report elaborates the Group's concepts, practices and achievements of its sustainable development and social responsibility during the financial period ended 30 September ("**FPE**") 2022 from the economic, environmental and social ("**EES**") as well as governance aspects.

Scope of the Report

The Report covers Lambo and its subsidiaries ("**the Group**"). Information disclosed in this Report encompasses our major activities related to provision of E-commerce platform and provision of logistic services. Revenue from other business segments of the Group accounts for a very small percentage of total revenue and has a minimal impact on the overall performance of the Group, so it is not included in the scope of this Report.

The Company had on 18 May 2022 approved the change of the financial year end from 31 May to 30 September. The Report covers the period from 1 June 2021 to 30 September 2022 for a period of 16 months. All information in the Report is disclosed from the Group level.

SUSTAINABILITY STATEMENTS (CONT'D)

ABOUT THE REPORT (CONT'D)

Road Map

We continue to prioritise our focus of sustainability framework on provision of E-commerce platform as this remains the nucleus of the Group's sustainability efforts.

2022

Where we are

Scope : Provision of E-commerce platform and for B2C and B2B, provision of logistic services

2023

Where we will be

Scope : Provision of E-commerce platform for B2C and B2B, provision of logistic services and warehouse fulfilment and provision of retail sales of liquor

2024

Where we will be

Scope : "New Retails" and provision of logistic services and warehouse fulfilment of liquor and other products

**"New Retail" is the term Alibaba uses to describe the blending of online and offline commerce through the digitization of the entire retail value chain for the benefit of both the merchant and the consumer and, of course, the company enabling this transformation.*

COMMITMENT TO SUSTAINABILITY DEVELOPMENT

Sustainability has always been a pillar of Lambo's culture as we strive to achieve continuing growth and profitability in a safe, caring and sustainable environment. We recognise that sustainability practices are one of the important criteria in investors' investment decisions.

In this respect, our mission, as a responsible corporate citizen, is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the social needs of the community in which we operate, which is in line with our corporate culture.

OUR POLICY ON SUSTAINABILITY

- Embrace Sustainability in Organisation Culture
- Capitalise on Latest Technology and Information
- Strengthen the Core Businesses
- Build Regional Connectivity
- Foster a High Performance Partnership

The Group continued success in maintaining a sustainable business and generating long-term shareholders' value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. The Board regularly reviews these factors to assess their impacts on our business model over the near, medium and long term.

SUSTAINABILITY STATEMENTS (CONT'D)

ECONOMIC

Sustaining our economy

Delivering sustainable returns to our shareholders

Delivering quality products to achieve customers' satisfaction

ENVIRONMENT

Conserving our environment

Protecting our environment and improving our environmental performance and adopting environmental-friendly practices.

SOCIAL

Building a resilient workforce

Ensuring a positive work environment for our employees to learn and grow

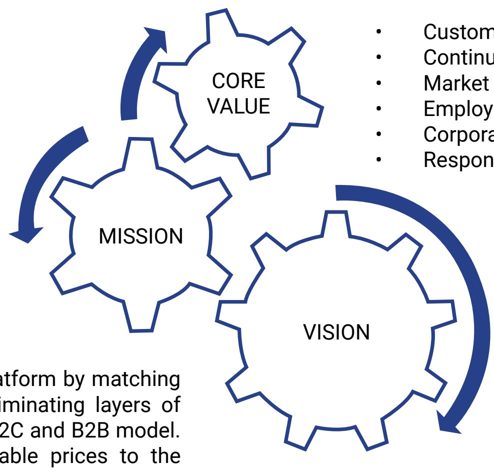
Serving our community Contributing to the wellbeing of the community around us

GOVERNANCE FRAMEWORK

Vision, Mission and Core Value

Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.

- 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 promote the online platform



- Customer Loyalty
- Continuous Growth
- Market Leadership
- Employee Commitment
- Corporate Citizenship
- Responsible Profit

- 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 and B2B model. We aim to provide products at affordable prices to the customers.

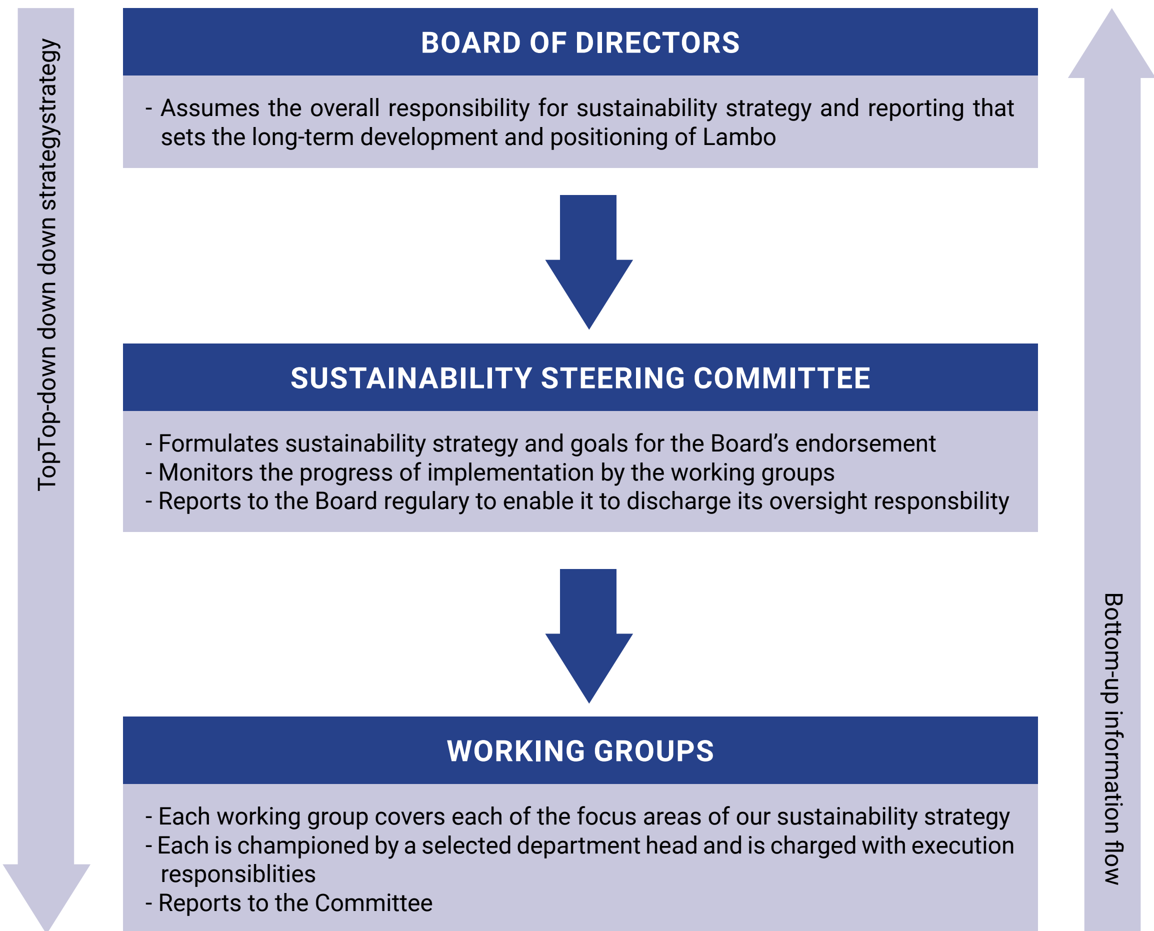
GOVERNANCE FRAMEWORK (CONT'D)

Corporate Governance

Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors ("**Board**") plays a vital guidance and oversight role in advancing sustainability across the organisation with the assistance from the subsidiary's Chief Executive Officer ("**CEO**") and Head of Departments ("**HOD**") to oversee the implementation of the organisation's sustainability approach and ensure that key targets are being met. The Board should have an overall fluency in sustainability so that they can connect sustainability issues to the strategic decision making for the business. The Board must have a basic understanding of sustainability to ask the right questions and ultimately tie sustainability back to the business and strategic decision making.

Hence the Group will be forming a Sustainability Steering Committee ("**the Committee**"), which is directly accountable to the Board in the coming financial year. The Committee will be chaired by subsidiary's CEO and with different department heads as members, the Committee will be meeting the Board quarterly to deliberate on the focus areas of our strategic sustainability developments, its direction and goals. The driving principle behind is to develop specific policy recommendations, enhance efficiency, minimize costs and engage staff in sustainability.

For each of us to pull the weight to integrate sustainability into our daily business operations, our sustainability governance structure also aims to create accountability for sustainability at every level.



SUSTAINABILITY STATEMENTS (CONT'D)

GOVERNANCE FRAMEWORK (CONT'D)

Corporate Governance (Cont'd)

The responsibility of the Committee will be to promote and embed sustainability in the Group which includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Tracking and communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

The Committee will cascade sustainability matters to their respective teams in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("**SOPs**") to continue embedding sustainability in every aspect of the Group's daily operations. In addition to that, internal and external stakeholders will be informed of the Company's sustainability strategies, priorities as well as targets and performance against target through engagements and disclosures in the Company's Annual Report.

The Board also acknowledges that risk management and internal controls are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the internal control system is delegated by the Board to the Audit and Risk Management Committee.

The Group's performance is also tracked with the assistance of the Nomination and Remuneration Committee. Performance evaluation of the Board and Senior Management include a review of the performance of the Group in addressing the Group's material sustainability risks and opportunities.

Ethical Business Practices and Anti-Bribery & Corruption Policy

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Our businesses are conducted with integrity through good governance as mentioned by the Group's Code of Ethics.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

The Group has established and adopted Anti-Bribery & Corruption Policy as we are committed to a zero-tolerance against all forms of bribery and corruption. We are committed to conduct our business ethically, as well as in conformity with all applicable laws. This Anti-Bribery & Corruption Policy is applicable to the Board, our employees as well as any Third Parties associated with us.

The Group inducts all new employees on the Company's Anti-Bribery & Corruption Policy as well as Code of Ethics that are available online. Any updates to the Employee Handbook are done through the internal network and all employees have to sign off on the Company's policies on confidentiality and conflict of interest, integrity and prevention of staff fraud once they have attended the Group's internal briefings.

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(S)")

In September 2015, all one hundred and ninety-three (193) United Nation member states adopted "Agenda 2030" - a plan to solve the world's most pressing EES problems over the next fifteen (15) years. It consists of seventeen (17) goals and one hundred and sixty-nine (169) targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation and climate change. Malaysia is committed to "Agenda 2030" through its SDG Roadmap.

We support the SDGs, recognize their strategic importance to our business and to the world, hence we are committed to helping achieve them. The Group has well-established programs to ensure we operate sustainably and responsibly, following our long-standing commitment to ethical corporate citizenship and promoting sustainability in all our activities. All the SDGs are relevant to our operations to varying degrees and we are already contributing to many of these goals. We focus on supporting two goals where we can make the greatest contribution:

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 GOOD EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTRUCTIONS

17 PARTNERSHIPS FOR THE GOALS

8 DECENT WORK AND ECONOMIC GROWTH

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIOVE EMPLOYMENT AND DECENT WORK FOR ALL

SUSTAINABILITY STATEMENTS (CONT'D)

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(S)") (CONT'D)

One of the most obvious ways a business like Lambo can contribute to the SDGs is by helping to stimulate economic growth, by growing our own business. As a fundamental principle, growth must not come at the expense of the planet or people – especially vulnerable employees. Four out of the ten material Sustainability Matters that the Group has identified are in relation to our employees because our employees are essential to Lambo's success.

We work to maintain a productive and healthy organisation by employing and developing talented people, galvanizing talents to reach their full potential, continually strengthening our leadership and cultivate a high-performance culture by fostering strong engagement. We promote a safe and healthy workplace for our people and provide equal opportunity in recruitment, career development, promotion, training and reward for all employees, regardless of gender, ethnicity, or physical ability so as to nurture a vibrant and diverse workforce with robust training and succession plan.

As COVID-19 has affected all areas of business throughout the world since 2020, it has become a social responsibility for Lambo Group to act accordingly. It is our Group's immediate priority to protect the health and safety of our employees. We practice social distancing with at least one metre and enhance cleaning measures such as more regular cleaning of common touchpoints with disinfectant.

We encouraged staff to be vaccinated and 100% of our employees are fully vaccinated and we encourage all our employees to complete their booster doses. We had also provided self-test kits to our employees to perform test once a week as we continue to be vigilant while providing a safe workplace for our employees.

We aim to work with suppliers that behave in an economically, environmentally and socially responsible manner. Our approach to suppliers is clearly set out in our Code of Ethics. These principles cover requirements such as no corruption or bribery, human rights and fair labour practices, safe and healthy working environment as well as compliance to environmental laws and regulations. Our suppliers are critical to our ability to run our business. They are involved in almost every step of our operations and are often key to achieving successful outcomes and having a positive impact on the community.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

In this competitive business world and digital era, offering excellent customer service has become a necessity for businesses to stay ahead of the curve. Customer satisfaction is one of the major factors that contribute to the business success. Lambo adheres to the "customer-oriented" business concept. We are constantly offering a variety of products and services to ensure higher satisfaction from the consumers and sellers. We strive to differentiate ourselves with exceptional customer service by making shopping experience simple for B2C and B2B. We offer a wide product assortment, supported by integrated payments and seamless fulfilment. Lambo commits to help brands and sellers succeed in e-commerce with one stop solution such as marketing strategies, logistics support and etc.

We aim to promote inclusive and sustainable economic growth by providing lifestyle products at affordable prices to the consumers. Hence, we build an e-commerce marketplace platform by matching consumers and sellers.

SUSTAINABILITY STATEMENTS (CONT'D)

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

The Board continued to engage our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain a more complete understanding of our materiality issues and matters whilst, we are also able to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which the Board engages them.

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Shareholders	• Annual & Extraordinary General Meetings • Press releases • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Return on investments • Corporate governance
Government	• Compliances to laws and regulations	• Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxations • Anti-Bribery and Corruption
Board of directors	• Board meetings	• Corporate strategy • Corporate governance
Employees	• Technical and skills trainings • Performance appraisal • Team building activities	• Remuneration policy • Career development • Performance review • Fair employment practices • Protection against COVID-19
Financial Institutions	• Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Funding requirement
Customers	• Email • Website • Social media	• Customer satisfactions • After-sales services • Quality assurance
Suppliers	• Email • Website	• Quality assurance • Supply commitment
Communities	• Community events	• Social contribution • Job opportunities • Donation and financial aid
Analyst/Media	• Annual & Extraordinary General Meetings • Press conferences and media releases	• Financial and operational performance • General announcements

SUSTAINABILITY STATEMENTS (CONT'D)

SUSTAINABILITY RISKS AND RESPONSES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group's long-term strategy and success. The Board proactively considers sustainability issues when overseeing the planning, performance and long-term strategy of the Company, to ensure the Company remains resilient, is able to deliver durable and sustainable value as well as maintain the confident of its stakeholders.

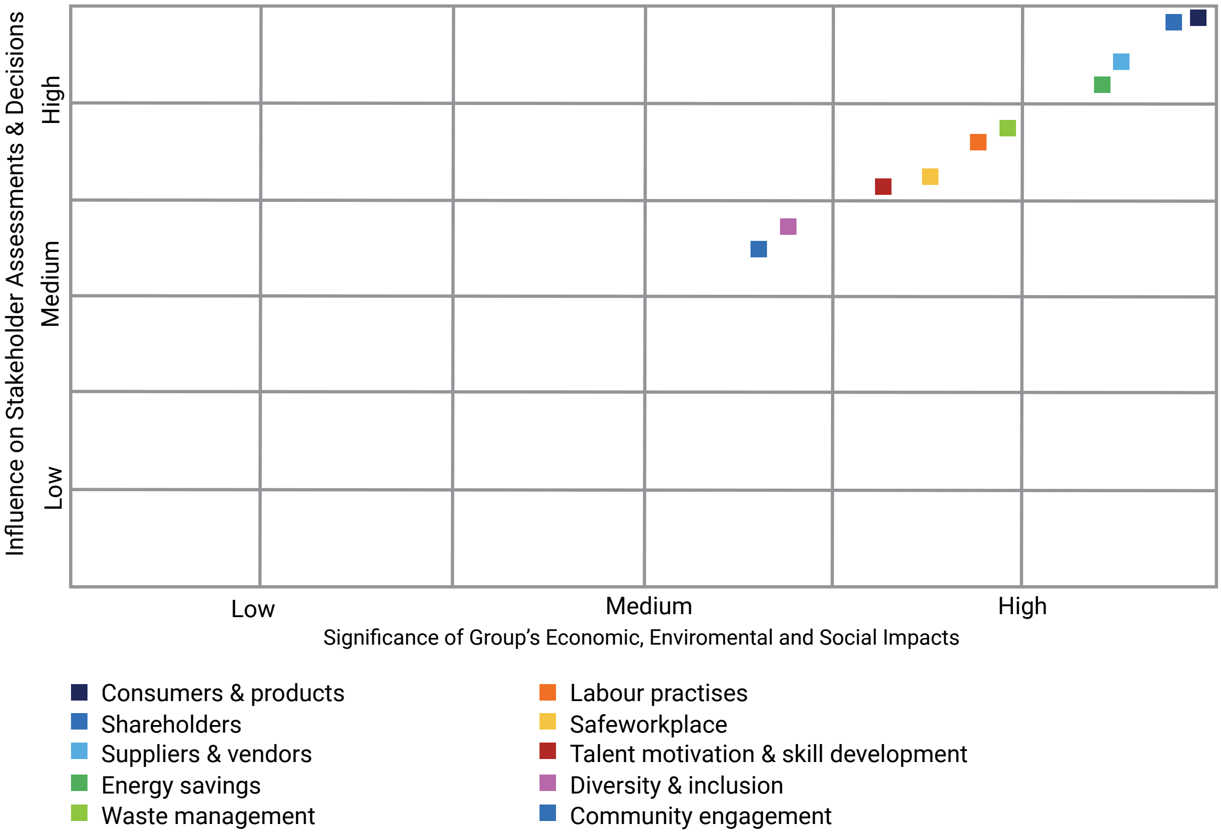
RISK	RISK ANALYSIS	RISK RESPONSES
Market competition	E-commerce industry is common with the presence of several big players. The Group faces competition from both new entrants and existing players in the industry. Increased competition could result in revenue erosion and loss of market share.	The Group strives to keep up with the needs of consumers. We 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 platform.
Reliability of information system	E-commerce is a more convenient and cheaper alternative to conventional shopping. However, the accessibility and connectively of e-commerce makes it vulnerable to cyber security threats and hackers, who may mount attacks to corporate networks to steal confidential information.	The Group places great emphasis on the protection of privacy and data security across all of our businesses. We employ significant resources to develop and implement security measures based on industry best practices and work to ensure that personal data is securely stored and protected from loss, misuse, unauthorized access or disclosure.
Public health emergencies	Public health emergencies, such as COVID-19 outbreak in early 2020, have severe impact on public health. The economy uncertainty brought by COVID-19 continues to cloud the growth of Malaysia's economy. How to respond to public health emergencies reflects how capable an enterprise is to manage and operate in such situations. If an enterprise lacks management capabilities and there are no complete safety management structure and emergency procedures and measures, it cannot stabilise the operation in face of emergencies.	In FPE 2022, the Group continued to implement strict safety measures and SOPs to ensure that everyone could return to work safely. We encouraged staff to be vaccinated and 100% of our employees are fully vaccinated and we encourage all our employees complete their booster doses. We also provided self-test kits to our employees as we continue to be vigilant and encourage adherence to SOPs, while providing a safe workplace for our employees.
Staff engagement	Staff engagement: Transforming staff to evolving needs and supporting employment with limited resources without compromise is challenging. Workplace wellness: Expectation on work-life balance and workplace health and safety are even higher after the pandemic.	The Group continues to cultivate a high-performance culture and nurture a vibrant and diverse workforce with robust training and succession plan.

SUSTAINABILITY STATEMENTS (CONT'D)

MATERIALITY ASSESSMENT

The Board conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant economic, environmental and social impact on our business or substantively influence the assessment and decisions of our stakeholders.

The Board assesses our material sustainability matters annually to fully understand how to manage the risks and opportunities they present. This ensures that we prioritise the issues that have the greatest impact on the economy, society and the environment.



SUSTAINABILITY STATEMENTS (CONT'D)

MATERIALITY ASSESSMENT (CONT'D)

The table below shows key relationships between the Group's top material sustainability matters, and the related SDGs.

Ranking	Material Sustainability Matters	ESS Pillars	Related SDGs
1.	Customers & Products	Economic	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
2.	Shareholders	Economic	8 Decent Work and Economic Growth
3.	Suppliers & Vendors	Economic	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
4.	Talent Motivation & Skill Development	Social	8 Decent Work and Economic Growth
5.	Safe Workplace	Social	8 Decent Work and Economic Growth; 3 Good Health and Well-Being
6.	Labour Practices	Social	8 Decent Work and Economic Growth
7.	Energy Savings	Environmental	7 Affordable and Clean Energy; 13 Climate Action
8.	Diversity & Inclusion	Social	8 Decent Work and Economic Growth; 5 Gender Equality
9.	Waste Management	Environmental	12 Responsible Consumption and Production; 13 Climate Action
10.	Community Engagement	Social	3 Good Health and Well-Being; 4 Good Education

SUSTAINABILITY STATEMENTS (CONT'D)

ECONOMIC

Shareholders

Our shareholders are the ultimate owners of the Company and as such, the Group's healthy and sustainable financial performance and position is one of the material sustainability matters to our Group. We strive to achieve economic sustainability growth for our shareholders.

The Group believes that focusing on financial sustainability is critical. The Group's basic principle is that long-term profitability and shareholders' value are ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and communities as a whole.

To promote transparency, our shareholders are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group's corporate website at www.lambogroup.my also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

Customers & Products

The Group is committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. Lambo is working to enable e-commerce for everyone across Malaysia. We are building an inclusive ecosystem where buying and selling are accessible to anyone. To date, LamboPlace has worked with 525 sellers across diverse categories with over 1,000 brands to serve the growing needs of our consumers. We had also expanded into multi channels including Omni-channel, corporate channels and business to business channels. This is to adapt the shift of business trends after endemic. LamboPlace has registered over 3.6 millions of accumulated page views. We will continue to expand its reach and strengthen its ability to serve as many segments as possible of our markets.

CUSTOMERS' SATISFACTION
Highly reliable and secure online infrastructure
Experienced management that equipped with industry knowledge and comprehensive training
Prompt delivery and reliable customer service
Efficient after-sales service, create an integrated and resilient workforce

Consumers who were previously underserved by the traditional offline sales channels can use LamboPlace to access a wide variety of products, anywhere and anytime, at competitive prices. We aim to achieve user-friendly and highly engaging experience on LamboPlace. In addition to that, we continue to further optimize the drive efficiencies across supporting infrastructure including logistics and warehouse.

We place great emphasis on the protection of privacy and data across all of our businesses. As a consumer internet company, we recognise that securing and protecting user data is fundamental to maintaining trust and serving our users. We employ significant resources to develop and implement security measures based on industry best practices and work to ensure that personal data is securely stored and protected from loss, misuse, unauthorized access or disclosure.

We setup the security in Amazon Web Services (AWS) to ensure data is encrypted and our system is protected. We employ security measures including encrypting sensitive and personal data, monitoring of our systems for unauthorized access, the regular conducting of security testing, adopting code review practices between our engineers and the security teams, and regular monitoring and review of our security measures to prevent unauthorized access to our systems.

SUSTAINABILITY STATEMENTS (CONT'D)

ECONOMIC (CONT'D)

Customers & Products (Cont'd)

Cybersecurity and privacy are core elements of consumer and seller trust. When consumers and sellers choose to use our platform, they have cast their vote of confidence in the quality of our products or services. To reciprocate this trust, we serve wholeheartedly to satisfy their needs and expectations by ensuring the data security and privacy are always protected.

We go the extra mile to ensure our IT environment and data centre are fully protected with trustworthy cybersecurity appliances. Vulnerability assessment on our IT environment is performed regularly to ensure our system is not vulnerable to any cyberattack. To prevent the risk of data loss, the Group has in place a robust data backup and redundancy plan as well as disaster recovery procedures. In the financial period under review, there have been no incidence or breach from malware, ransomware, hacking or other cyberattacks on its database.

We endeavour to provide high-quality and worry-free services to our consumers and sellers, hence the Group is also in compliance with Payment Card Industry Data Security Standard (PCI DSS) in order to ensure that the acceptance, processing, storing or transmission credit card information maintained in a secure environment.

In addition, we abide by the prescribed laws in the Personal Data Protection Act (PDPA), which mandates the protection of the private data of our consumers, sellers, employees and business partners. We implement only the best practices when it comes to privacy and security controls so that our consumers, sellers, employees and business partners can rest assured that their data are safe and secured. We conduct our business in compliance with the PDPA's guidance with the collection, use and disclosure of personal data. We have also safeguarded against external attempts to breach any confidential information. There were no reported cases of corruption and non-compliance with Personal Data Protection Act 2010 in FPE2022.

We endeavour to use data for social good, meaning we use data to improve the products we offer in order to better serve while taking steps to maintain the privacy and security of their data. We are also committed to fulfil our responsibilities in relation to the collection, use, processing and retention of personal data and to ensure that the processing of personal data our consumers and other stakeholders is carried out lawfully and for legitimate purposes.

Our employees are educated on and reminded of the importance of data protection to strengthen the overall operational awareness of information security and privacy. We communicate the importance of data security with our employees through the following touchpoints:

- Data sensitivity education as part of our New Hire Onboarding Program
- Education through company events and communications
- Comprehensive policies on our internal web portal for employees' easy access

During COVID-19 pandemic, when people felt isolated, our e-commerce offering helped restore a sense of community and connectivity. As one of the online platform providers in this industry, we possess teams of well-equipped employees with industry knowledge who are able to manage and deliver customers' expectation. We are aware that the use of the new technologies to improve our business processes. In this regard, we endeavour to keep abreast with more technological advances and innovations in this business segment.

We have adopted an impartial feedback mechanism to address consumers and sellers' complaints and manage our relationship with them. The prompt interaction with them not only ensure great customer service but also enables product and service excellence.

ECONOMIC (CONT'D)

Suppliers & Vendors

We are focused on driving digital inclusion across our sellers through education, training and a seamless onboarding experience. As a leading e-commerce platform, we strive to help sellers to leverage the transformative power of technology to broaden their reach to underserved local communities. We have launched a variety of training programs and tools that support sellers in growing their businesses.

We have built a competent pool of sellers based on integrity, trust, and reliability. As such, we have maintained good long-term relationships with existing sellers whom have adapted well to our working culture, integrated sustainability measures in their operations and are willing to go the extra mile in terms of quality and services.

We value the long-term cooperation with our sellers, which has resulted in better efficiency, reliability of delivering of services or products. With regard to seller acceptance, our sellers are filtered through careful selection ensuring only the ones with appropriate criteria met are engaged. We are in compliance with the internal checklist to review qualification and systems of seller to be approved, to screen out qualified sellers for verification. The Group will carry out assessment on quality management, environment, social and governance risk and etc.

To our sellers, we are committed to enhance our processes and engage with our sellers to identify and manage risks, increase productivity and efficiency within the supply chain, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our sellers.

Lambo is committed to addressing the environmental and social impacts of our business within our operations and across our supply chain. We promote sustainable supply chain by embedding this into the Group's value chain creates a sense of corporate responsibility on resource management. We trust operating a sustainable business will enable us to serve our customers for generations to come.

We encourage our sellers to adopt responsible and sustainable practises with respect to a range of environmental and social issues outlined in our Code of Ethics. This process gives preference to sellers which integrate considerations for environmental conservation, protection of endangered species, protection of labour rights and welfare, equal opportunities, no corruptions or bribery and no pending environmental issues.

ENVIRONMENT

Energy Savings

The global commitment and acceleration of efforts to transition to a net zero economy. We have evaluated our operations to enhance energy efficiency to reduce our carbon footprint to support cleaner and sustainable growth. We aspire to protect the environment by integrating environmental considerations into our decision-making process. We implement appropriate measures to advance energy efficiency to minimise the impacts on the environment brought about by our daily operations.

Our initiatives to reduce our energy consumption every year are we encourage the temperature setting of air-conditioning system of all our office places are within the range of 22-25 degree Celsius. Apart from that, we switch off unnecessary ventilation, air conditioning systems, lighting when not in use and during non-business hours.

Waste Management

To ensure sustainable consumption and production patterns, we are committed to reduce consumption and to responsibly use resources. Paper recycling initiatives are already in progress by encouraging employees to prioritise electronic means to share and store documents, and to reduce printing or photocopying, otherwise, to use double-sided printing. Additionally, the Group distribute memos via emails, instead of papers. Other materials such as furniture and fixture are recycled or reused where possible.

All the measures taken have been successfully inculcated the environmental awareness in our employees and able to reduce our environmental footprint.

SUSTAINABILITY STATEMENTS (CONT'D)

SOCIAL

Safe Workplace

The Group believes that the safety and well-being of its employees are the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations. The Group has in place a policy that highlights our commitment to:

- ensure compliance with laws and regulations in relation to occupational safety and health; and
- promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees, contractors and the general public.

As COVID-19 has affected all areas of business throughout the world since 2020, it has become a social responsibility for Lambo Group to act accordingly. It is our Group's immediate priority to protect the health and safety of our employees. We practice social distancing with at least one metre and enhance cleaning measures such as more regular cleaning of common touchpoints with disinfectant

We encouraged staff to be vaccinated and 100% of our employees are fully vaccinated and we encourage all our employees complete their booster doses. We also provided self-test kits to our employees to test once a week as we continue to be vigilant while providing a safe workplace for our employees.

Against the backdrop of COVID-19 pandemic, we continue to strive building a high-energy team while navigating the storms of change. We start to use various virtual meeting platform like Webex, Zoom Meeting and DingTalk as our new means of engagement with our employees to minimise physical meeting.

Labour Practices

We are committed to provide and respect fundamental human rights and safeguard against violation of human rights. We guarantee an anti-discriminatory and anti-harassment workplace, one that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

In addition to this, all employee benefits provided by the Group is above minimum statutory requirements and includes healthcare and insurance coverage, leaves and statutory payment. Remuneration packages, while strictly private and confidential, are determined upon the employees' experience, expertise, qualifications and job grade.

Talent Motivation & Skill Development

The Group recognises that employees are our greatest assets hence we proactively provide opportunities for growth and development for talent in the organisation through targeted development plans and succession planning. Ensuring our long-term sustainability, we continuously invest time and effort in recruiting (internal and external), upskilling, engaging and rewarding talents/employees of the organisation accordingly.

The Group also recognises that the Industrial Revolution 4.0 will place pressure in organisations to continuously upskill and reskill our workforce, to stay relevant and productive. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, human resource management, technical skills, and others. Our technical team is encouraged to participate in technology partner events or forum to keep abreast with the latest technology development.

For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our Nomination Committee will review the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review, and the annual manpower budget. The succession planning across the Group is implemented by stages where the training program is designed specifically for management staff.

SUSTAINABILITY STATEMENTS (CONT'D)

SOCIAL (CONT'D)

Talent Motivation & Skill Development

We review remuneration package annually which is linked to job responsibilities and task goals of employees to motivate the employees. The remunerations of the employees of the Group are no less than the minimum statutory requirements. The Group regularly evaluates the reasonableness of employees' wages and review the wages each year according to the personal and operation performance and the market salary.

In addition to this, all employee benefits provided by the Group includes healthcare and insurance coverage, leaves, statutory payment and career development bonuses. Remuneration packages, while strictly private and confidential, are determined upon the employees' experience, expertise, qualifications and job grade.

For many years, we have recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as festive celebrations, birthday celebration etc.

Diversity and Inclusion

Diversity refers to the differences in workforce by gender, age, ethnicity and disability. This measure is considered across the Board, from the Directors to the Management and the rest of the workforce.

In the appointment and recruitment process, we pride ourselves being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the working environment, all employment activities, resource allocation and all employment terms and conditions. Every employee is given an equal opportunity to rise up in their careers through hard work and dedication.

We draw strength from the diversity and inclusiveness that is prevalent in our workplace. As at 30 September 2022, the total number of employees stood at 42 employees, of which 36% is female and the remaining 64% is male.

The Directors are cognisant of the ongoing initiative to increase female representation in the boardroom and are looking into increasing female representation should the right director be found.

Having a diverse team of employees, across age, gender and industry experience, encourages open-minded dialogues, broadens our positive influence and reach, helps bridge gaps, and brings in new perspectives and strategies.

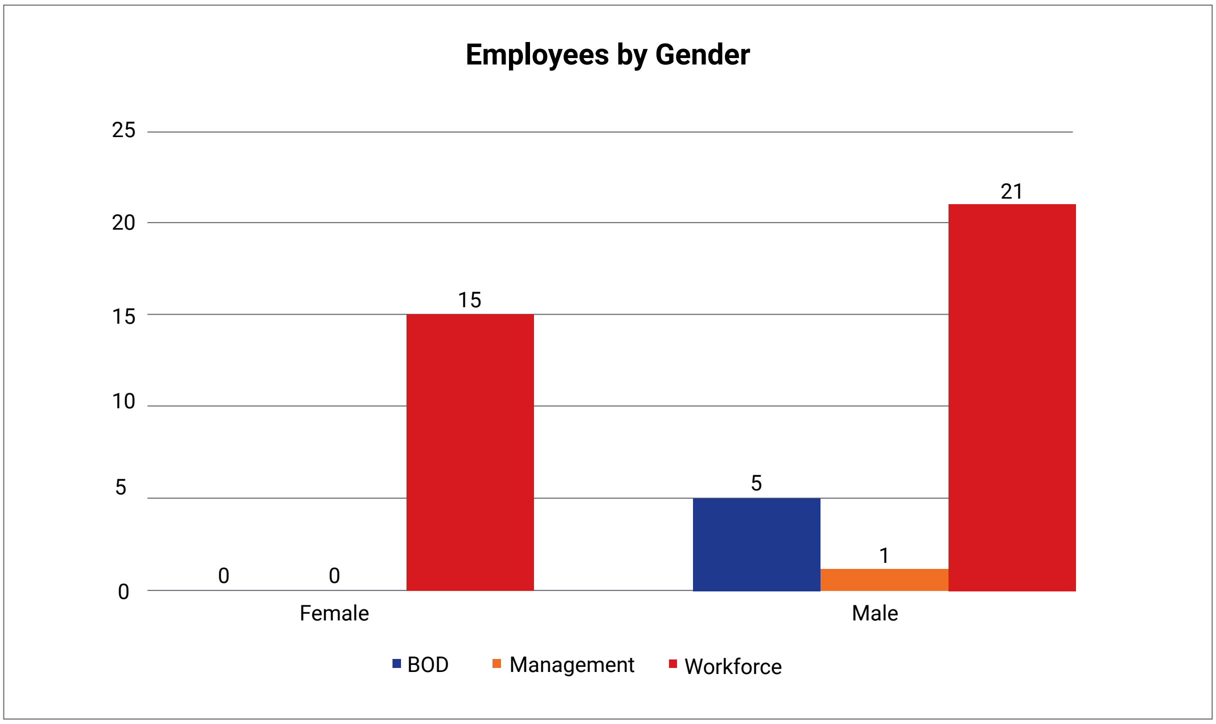
SUSTAINABILITY STATEMENTS (CONT'D)

SOCIAL (CONT'D)

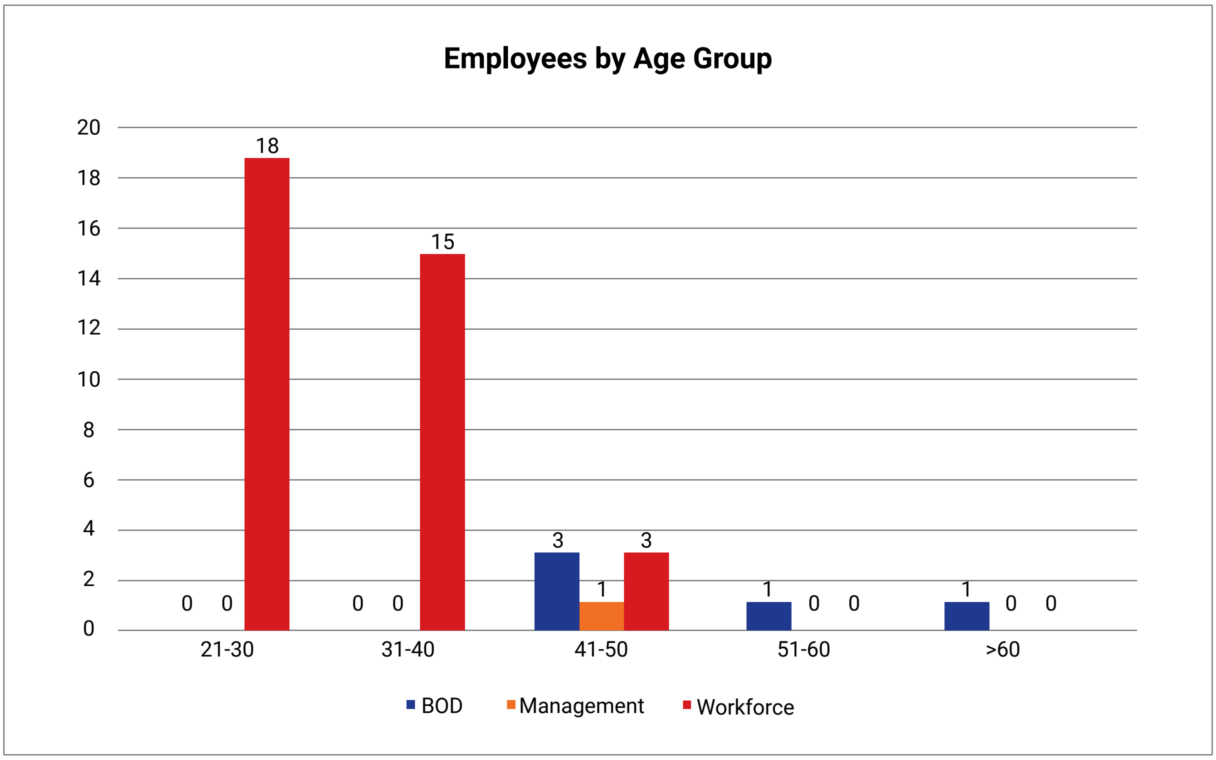
Diversity and Inclusion (Cont'd)

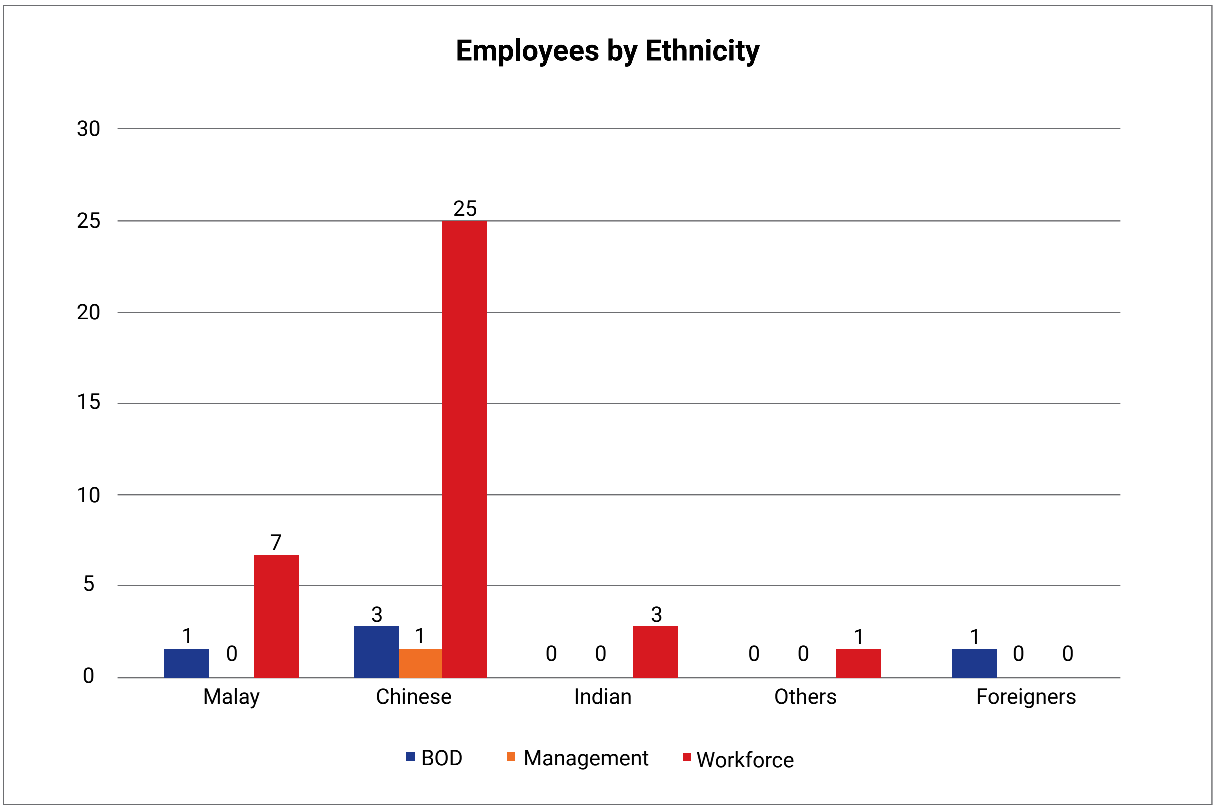
Aside from this, we also ensure that the welfare and wellbeing of senior staff with the age over 60 are not neglected. It is a commitment by the Group to provide employment opportunities to them ever since we commenced our business operations, and as at 30 September 2022, approximately 2.4% of the Group's workforce is over the age of 60. We acknowledge that the senior staff could contribute positively to the Company even after their retirement and that the invaluable experience, skills and mastery in their industries can still be gainfully utilised. In this respect, the Group is proud that it has been a strong source of employment for these senior staff for past years. This has raised the quality of life of these senior staff as there is greater income stability and consequently, better and improved living standards and conditions.

As at 30 September 2022, the Group had a total staff strength of 42 personnel. The following charts depict the composition of the Group's human capital in 2022.



SUSTAINABILITY STATEMENTS (CONT'D)





SUSTAINABILITY STATEMENTS (CONT'D)

SOCIAL (CONT'D)

Community Engagement

As we are deeply rooted in the community we operate, we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made donations to various charitable organisation, helping the less fortunate members of our community is our way of giving back to society.

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 September 2022.

CHANGE OF FINANCIAL YEAR END

The Group and the Company had on 18 May 2022 announced the changed in its financial year end from 31 May to 30 September. Therefore, the financial period covered in these financial statements is for a period of sixteen (16) months from 1 June 2021 to 30 September 2022. Thereafter, the financial year of the Group and of the Company shall revert to twelve (12) months ending 30 September, for each subsequent year. The comparatives are for the financial year from 1 June 2020 to 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 10 to the financial statements.

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

FINANCIAL RESULTS

	Group 01.06.2021 to 30.09.2022 RM	Company 01.06.2021 to 30.09.2022 RM
Loss for the financial period	(75,280,622)	(127,283,776)
Attributable to:		
- Owners of the Company	(75,270,592)	(127,283,776)
- Non-controlling interests	(10,030)	–
	(75,280,622)	(127,283,776)

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

DIRECTORS' REPORT (CONT'D)

DIVIDENDS

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

SHARES AND DEBENTURES

During the financial period, the Company increased its share capital from RM190,810,581 to RM258,497,381 through the following:

(a) the issuance of 343,531,000 new ordinary shares at an exercise price range from RM0.0450 to RM0.0475 per ordinary share for a total cash consideration of RM16,119,532 and fair value of RM6,783,414 pursuant to the exercise of Employee Share Option Scheme ("ESOS"); and

(b) the issuance of 997,452,851 new ordinary shares at an issue price of RM0.10 each for a total cash consideration of RM99,745,285 pursuant to the Company's Right Issue with Warrants which was 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 new ordinary shares issued during the financial period 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 period.

WARRANTS

WARRANTS B (2019/2024)

On 7 May 2019, the Company had issued 1,051,058,992 new warrants on the basis of 1 Warrant B for every 2 existing ordinary shares in the Company pursuant to the Bonus Issue of Warrants.

The Warrants B will expire on 29 April 2024. The exercise period for the Warrants B is 5 years commencing from the date of issuance of the Warrants B.

On 26 July 2021, the Company has completed the share consolidation exercise by consolidating twenty five (25) ordinary shares in the Company and Warrants B into 1 ordinary share and 1 warrant B of the Company. As a result, the exercise price of the Warrant B has been revised to RM4.00 each.

On 13 September 2021, 52,552,670 additional Warrants B was listed on the ACE Market of Bursa Securities arising from the adjustment to Warrants B pursuant to the Rights Issue. As a result, the exercise price of Warrant B has been revised to RM1.67 each.

Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

DIRECTORS' REPORT (CONT'D)

WARRANTS (CONT'D)

The movement of Warrants B during the financial period is as follows:

		Number of warrants			
	Exercise price RM	**As at 01.06.2021 Units**	**Issued Units**	**Share Consolidation Units**	**As at 30.09.2022 Units**
Warrants B (2019/2024)	1.67	1,051,058,992	52,552,670	(1,009,016,642)	94,595,020

WARRANTS C (2021/2024)

On 13 September 2021, the Company had issued 398,981,138 new warrants on the basis of 2 Warrants C for every 5 rights shares in the Company pursuant to the Rights Issue with Warrants. The Warrants C will expire on 6 September 2024. The exercise period for the Warrants C is three (3) years commencing from the date of issuance of the Warrants C.

Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

The movement of Warrants C during the financial period is as follows:

		Number of warrants			
	Exercise price RM	**As at 01.06.2021 Units**	**Issued Units**	**Exercised Units**	**As at 30.09.2022 Units**
Warrants C (2021/2024)	0.10	–	398,981,138	–	398,981,138

OPTIONS GRANTED OVER UNISSUED SHARES

At an Extraordinary General Meeting held on 15 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.

On 22 July 2020, the Board extended the existing ESOS of the Company which were due to expire on 6 August 2020, for another five (5) years until 6 August 2025 in accordance with the terms of the ESOS By-Laws. The ESOS was first issued on 6 August 2015.

The salient features and other terms of the ESOS are disclosed in Note 18 (iii) to the financial statements.

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

		Number of options over ordinary shares				
Grant date	**Exercise price RM**	**As at 01.06.2021**	**Granted**	**Exercised**	**Lapsed**	**As at 30.09.2022**
19 November 2021	0.0475	–	299,509,000	(264,255,000)	(35,254,000)	–
27 December 2021	0.0450	–	79,276,000	(79,276,000)	–	–

DIRECTORS

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

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

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Yee Yit Yang	
Zhu Guohe	(Removed on 14 December 2022)
Kong Siang Shen	
Fong Keng Chee	
Yeoh Eng Soon	(Appointed on 8 October 2021)

DIRECTORS' INTERESTS

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

	Number of ordinary shares				
Shareholdings in the name of director	**As at 01.06.2021**	**Acquired**	**Sold**	**Share Consolidation**	**As at 30.09.2022**
Direct interest					
Koo Kien Yoon	429,000	108,508,000	–	(411,840)	108,525,160

	Number of warrants			
Warrants C holding in the name of director	**As at 01.06.2021**	**Acquired**	**Sold**	**As at 30.09.2022**
Direct interest				
Koo Kien Yoon	–	1,603,200	–	1,603,200

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 period have any interest in the shares of the Company during the financial period.

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 period are disclosed in Note 29 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 period.

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 period.

INDEMNITY AND INSURANCE COSTS

The Group maintains directors' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company and of its subsidiary companies. The total amount of indemnity insurance coverage and insurance premium paid during the financial period were RM5,000,000 and RM17,500 respectively.

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

DIRECTORS' BENEFITS

During and at the end of the financial period, 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 year, 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 29 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.

During the financial period, the fees and other benefits received and receivables by the directors of the Group and of the Company are as follows:

	Group 01.06.2021 to 30.09.2022 RM	**Company 01.06.2021 to 30.09.2022 RM**
Fees	490,000	204,000
Salaries, allowance and bonus	314,598	240,348
Defined contribution plan		
- Employees' Provident Fund ("EPF") contribution	36,299	26,640
- Social Security Organisation ("SOCSO") contribution	2,236	1,122
- Employment Insurance System ("EIS") contribution	255	128
Share options granted under ESOS	3,135,564	1,933,250
Other benefit	18,348	18,348
	3,978,952	2,405,488

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 all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised 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.

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

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent 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 period 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 period.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet 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 period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD

Significant events during and subsequent to the financial period are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT (CONT'D)

AUDITORS

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

Auditors' remuneration of the Group and of the Company for the financial period ended 30 September 2022 were as follows:

	Group 01.06.2021 to 30.09.2022 RM	**Company 01.06.2021 to 30.09.2022 RM**
Statutory audit:		
- CAS Malaysia PLT	138,000	100,000
- Other firm	27,042	–
Other services	85,000	85,000
	250,042	185,000

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 31 January 2023.

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 76 to 176 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 31 January 2023.

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 76 to 176 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 31 January 2023.) **KOO KIEN YOON**

Before me,

Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAMBO GROUP BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the financial statements of Lambo Group Berhad, which comprise the statements of financial position as at 30 September 2022, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 76 to 176.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidences to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(A) Audit of Fujian Accsoft Technology Development Co. Ltd. ("Fujian Accsoft")

On 27 September 2021, the Directors had issued the financial statements of the Group for the financial year ended 31 May 2021 in which we had issued our independent auditors' report. At that point in time, we had performed the necessary audit procedures in accordance with approved standard on auditing in Malaysia and International Standards on Auditing (ISA). Furthermore, we had obtained the letter of representations from the Board of Directors which the Board of Directors confirmed to us that they are not aware of any kind of alleged or suspected fraud involving management or other employees who have a significant role in the Group's and Company's internal controls over financial reporting which includes Fujian Accsoft.

On 13 July 2022, the Ministry of Finance of the People's Republic of China ("China's Finance Ministry") published an article/notice in relation to Fujian Accsoft Technology Development Co. Ltd (Fujian Accsoft), which states that Fujian Accsoft's audited financial statements for financial year ended 31 December 2016, 2017 and 2018 were falsified and a penalty was imposed on the auditor of Fujian Accsoft. The Company was alerted of the article/notice by Bursa Malaysia Securities Berhad on 17 August 2022. On 18 August 2022, the Company has announced its clarification on the article relating to the findings of China's Finance Ministry, stating that it was not aware of any wrongdoing of Fujian Accsoft until informed by Bursa Malaysia Securities Berhad.

On 25 August 2022, the Company appointed a Malaysian Law Firm to assist the Company in relation to the investigation of Fujian Accsoft. On 29 August 2022, the Company had sent a letter to the China's Finance Ministry and the former auditor of Fujian Accsoft for financial year 2016 to 2018 to obtain further clarification and documentations respectively. However, there is no reply from the China's Finance Ministry and the former auditor of Fujian Accsoft.

On 30 November 2022, the Company received a legal opinion from a China law firm appointed by the Company, stating that based on the search from the National Enterprise Credit Information Publicity System of People's Republic of China, Fujian Accsoft had on 4 March 2022 submitted the deregistration application to the China Authority and the said deregistration process had been completed on 16 May 2022. As per the legal opinion, Fujian Accsoft as of 16 May 2022 has been successfully deregistered (wound up) and is therefore cancelled as to its status as a company.

We have tried to communicate with the legal representative of the Fujian Accsoft to request for the management account for current period and prior year. However, there is no reply from the legal representative of Fujian Accsoft.

Furthermore, we have communicated with the prior year component auditor of Fujian Accsoft in regards to this matters. They had informed us that they were not being appointed as the current financial period auditor and they were unable to contact the legal representative of Fujian Accsoft.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

Basis for Disclaimer of Opinion (Cont'd)

(A) Audit of Fujian Accsoft Technology Development Co. Ltd. ("Fujian Accsoft") (Cont'd)

As a result, we were unable to obtain the financial statements and auditors report of Fujian Accsoft made up to the deregistration (winding up) date.

We had performed the necessary audit procedures in accordance with the applicable approved audit standards to request for all supporting documentations for our verification and the necessary adjustments to be affected. However, due to the contradictory evidences as compared to the evidences obtained in prior years audit, therefore, we unable to form an opinion on the subject matter.

As at the date of report, we have not received satisfactory responses from the Directors of the Company. As we were unable to obtain sufficient appropriate audit evidences on the findings by China's Finance Ministry and inability of the management to provide the relevant financial statements of Fujian Accsoft, we therefore, do not express an opinion on these financial statements.

(i) Assertions concerning opening and prior year ending balances

In view of the above mentioned, the new evidences that we noted were contrary to our audit evidences obtained in our prior year audit. Therefore, we were unable to ascertain the accuracy, completeness and validity of the following opening and prior year ending balances concerning Fujian Accsoft as follows:

	As at 01.06.2021 RM
Statement of financial position	
Plant and equipment	37,706
Other receivables and prepayment	5,041
Tax recoverable	81,574
Cash and bank balance	46,078,314
Other payables	(1,358,804)
Amount due to immediate holding company	(11,475,472)
Amount due to holding company	(26,253,497)
Share capital	(553,766)
Retained earnings	(6,206,998)

	FYE 31.05.2021 RM
Statement of profit or loss and other comprehensive income	
Revenue	23,848,930
Cost of sales	(81,867,931)
Other operating income	480,321
Administrative expenses	(783,975)
Taxation	(167,974)

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

Basis for Disclaimer of Opinion (Cont'd)

(A) Audit of Fujian Accsoft Technology Development Co. Ltd. ("Fujian Accsoft") (Cont'd)

(ii) Current Year Audit of Fujian Accsoft

As Fujian Accsoft was deregistered (wound up) on 16 May 2022, whereby the Group is supposed to consolidate the Statements of Profit or Loss and Other Comprehensive Income up to the date of winding up. We were unable to obtain the management account and its audit report as at the date of deregistration (winding up).

As such, we were unable to obtain sufficient appropriate audit evidence to ascertain the accuracy, completeness and validity on Fujian Accsoft's Statements of Profit or Loss and Other Comprehensive Income from the beginning of the financial year, 1 June 2021 until the date of deregistration (winding up) as at 16 May 2022.

(iii) Loss on Deregistration (Winding Up) of a Subsidiary

As disclosed above, due to the non availability of the financial statements of the Fujian Accsoft, the Group has deconsolidated the Fujian Accsoft's in the Group's financial statements based on the financial statements as at 1 June 2022 and has recorded a loss on deregistration (winding up) of Fujian Accsoft of RM3,960,947 as at 30 September 2022 as disclosed in Note 10 (c) to the financial statements.

Therefore, we were unable to obtain sufficient appropriate audit evidences to ascertain the accuracy, completeness and validity of the loss on deregistration (winding up) of the subsidiary in the Statement of Profit or Loss and Other Comprehensive Income.

(B) Other investment

As at 30 September 2022, the Group had acquired 212,956,000 units in cumulative of quoted shares of a public listed company which representing 23.27% of the Company's share capital. The Directors of the Company has classified the said investment as financial instruments in accordance with MFRS 9 Financial Instruments. However, we are of the opinion that the investment should be recognised as investment in associates in accordance with MFRS 128 Investments in Associates and Joint Ventures and to be equity accounted in the Group's financial statements.

Therefore, we were unable to obtain sufficient appropriate audit evidences to ascertain the classification and measurement of the other investment.

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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, and to issue an auditors' report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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 Other Legal and Regulatory Requirements

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

(a) the accounting and other records for the matter as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Companies Act 2016 in Malaysia.

(b) we have not obtained all the information and explanations that we required.

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
[201606003206 (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

KONG JUNE HON
[No. 03258/05/2024(J)]
Chartered Accountant

Date: 31 January 2023

Puchong

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	Group 30.09.2022 RM	Group 31.05.2021 RM	Company 30.09.2022 RM	Company 31.05.2021 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	21,001,277	147,202	16,150	10,356
Investment property	6	5,750,000	–	–	–
Right-of-use assets	7(i)	7,793,756	90,287	–	–
Lease receivable	8	75,527	–	–	–
Intangible assets	9	198,237	439,158	–	–
Investment in subsidiary companies	10	–	–	39,599,135	250,002
Other investments	11	84,828,324	41,845,973	65,074,300	26,911,179
		119,647,121	42,522,620	104,689,585	27,171,537
CURRENT ASSETS					
Inventories	12	3,589,042	–	–	–
Trade receivables	13	3,555,833	255,137	–	–
Other receivables	14	3,150,164	302,553	12,598	286,348
Lease receivable	8	39,698	–	–	–
Amount owing from subsidiary companies	15	–	–	20,338,829	130,498,592
Tax recoverable		6,322	86,042	6,322	4,468
Fixed deposits with licensed banks	16	765,691	32,445	5,784	5,662
Cash and bank balances	17	44,129,148	77,339,985	37,859,682	10,580,579
		55,235,898	78,016,162	58,223,215	141,375,649
TOTAL ASSETS		174,883,019	120,538,782	162,912,800	168,547,186

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

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 (CONT'D)

	Note	Group 30.09.2022 RM	Group 31.05.2021 RM	Company 30.09.2022 RM	Company 31.05.2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	258,497,381	190,810,581	258,497,381	190,810,581
Reserves	19	(95,837,082)	(72,046,618)	(95,951,329)	(22,649,701)
Total equity attributable to owners of the Company		162,660,299	118,763,963	164,934,224	168,160,880
Non-controlling interest	10(a)	(302,270)	(292,240)	–	–
TOTAL EQUITY		162,358,029	118,471,723	162,546,052	168,160,880
NON-CURRENT LIABILITIES					
Loan and borrowing	20	2,330,698	–	–	–
Lease liabilities	7(ii)	7,235,287	60,695	–	–
		9,565,985	60,695	–	–
CURRENT LIABILITIES					
Trade payables	21	413,720	251,251	229,853	229,853
Other payables	22	1,158,509	1,729,089	136,895	156,453
Loan and borrowing	20	611,246	–	–	–
Lease liabilities	7(ii)	775,297	25,820	–	–
Bank overdraft		233	–	–	–
Provision for taxation		–	204	–	–
		2,959,005	2,006,364	366,748	386,306
TOTAL LIABILITIES		12,524,990	2,067,059	366,748	386,306
TOTAL EQUITY AND LIABILITIES		174,883,019	120,538,782	162,912,800	168,547,186

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 PERIOD ENDED 30 SEPTEMBER 2022

	Note	Group 01.06.2021 to 30.09.2022 RM	Group 01.06.2020 to 31.05.2021 RM	Company 01.06.2021 to 30.09.2022 RM	Company 01.06.2020 to 31.05.2021 RM
Revenue	23	16,585,215	24,771,337	–	–
Cost of sales		(15,951,517)	(82,941,015)	–	–
GROSS PROFIT/(LOSS)		633,698	(58,169,678)	–	–
Other operating income		7,304,248	786,090	4,235,051	5,702,039
Administrative expenses		(82,786,149)	(47,895,415)	(131,518,827)	(1,259,085)
(LOSS)/PROFIT FROM OPERATIONS		(74,848,203)	(105,279,003)	(127,283,776)	4,442,954
Finance cost	24	(432,419)	(11,208)	–	–
(LOSS)/PROFIT BEFORE TAXATION	25	(75,280,622)	(105,290,211)	(127,283,776)	4,442,954
Taxation	26	–	(174,270)	–	(6,296)
(LOSS)/PROFIT AFTER TAXATION		(75,280,622)	(105,464,481)	(127,283,776)	4,436,658
OTHER COMPREHENSIVE (EXPENSE)/ INCOME					
Foreign currency translation		(3,154,219)	5,300,327	–	–
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE FINANCIAL PERIOD/YEAR		(78,434,841)	(100,164,154)	(127,283,776)	4,436,658

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 PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

	Note	Group 01.06.2021 to 30.09.2022 RM	Group 01.06.2020 to 31.05.2021 RM	Company 01.06.2021 to 30.09.2022 RM	Company 01.06.2020 to 31.05.2021 RM
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the company		(75,270,592)	(105,196,272)	(127,283,776)	4,436,658
Non-controlling interest		(10,030)	(268,209)	–	–
		(75,280,622)	(105,464,481)	(127,283,776)	4,436,658
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME ATTRIBUTABLE TO:					
Owners of the company		(78,424,811)	(99,895,945)	(127,283,776)	4,436,658
Non-controlling interest		(10,030)	(268,209)	–	–
		(78,434,841)	(100,164,154)	(127,283,776)	4,436,658
Basic loss per share attributable to owners of the company (sen)	27	(6.32)	(2.75)		
Diluted loss per share attributable to owners of the company (sen)	27	(6.32)	(2.75)		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Group	Attributable to owners of the Company							
	Non-distributable							
	Share capital RM	Share option reserve RM	Foreign currency translation reserve RM	Warrant reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total RM
Balance as at 1 June 2021	190,810,581	–	1,557,757	–	(73,604,375)	118,763,963	(292,240)	118,471,723
Loss for the financial period	–	–	–	–	(75,270,592)	(75,270,592)	(10,030)	(75,280,622)
Other comprehensive expense:								
Foreign currency translation	–	–	(3,154,219)	–	–	(3,154,219)	–	(3,154,219)
Total comprehensive expense for the financial period	–	–	(3,154,219)	–	(75,270,592)	(78,424,811)	(10,030)	(78,434,841)
Transaction with owners:								
- Share option granted under ESOS	–	7,435,613	–	–	–	7,435,613	–	7,435,613
- Exercise of ESOS	22,902,946	(6,783,414)	–	–	–	16,119,532	–	16,119,532
- Expiry of ESOS	–	(652,199)	–	–	652,199	–	–	–
- Issuance of rights issue with free Warrant C	45,763,137	–	–	53,982,148	–	99,745,285	–	99,745,285
- Share issuance expenses	(979,283)	–	–	–	–	(979,283)	–	(979,283)
Balance as at 30 September 2022	258,497,381	–	(1,596,462)	53,982,148	(148,222,768)	162,660,299	(302,270)	162,358,029

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

	Attributable to owners of the Company							
	Non-distributable							
Group	**Share capital RM**	**Share option reserve RM**	**Foreign currency translation reserve RM**	**Warrant reserve RM**	**Retained earnings/ (accumulated losses) 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:								
- Share option granted under ESOS	–	9,020,483	–	–	–	9,020,483	–	9,020,483
- Exercise of ESOS	35,969,276	(9,818,855)	–	–	–	26,150,421	–	26,150,421
- 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.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Company	Attributable to owners of the Company				
	Non-distributable				
	Share capital RM	Share option reserve RM	Warrant reserve RM	Accumulated losses RM	Total RM
Balance as at 1 June 2021	190,810,581	–	–	(22,649,701)	168,160,880
Total comprehensive expense for the financial period	–	–	–	(127,283,776)	(127,283,776)
Transaction with owners:					
- Share option granted under ESOS	–	1,933,250	–	–	1,933,250
- Exercise of ESOS	22,902,946	(1,933,250)	–	–	20,969,696
- Issuance of rights issue with free Warrant C	45,763,137	–	53,982,148	–	99,745,285
- Share issuance expenses	(979,283)	–	–	–	(979,283)
Balance as at 30 September 2022	258,497,381	–	53,982,148	(149,933,477)	162,546,052

Company	Attributable to owners of the Company			
	Non-distributable			
	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:				
- Share option granted under ESOS	–	9,020,483	–	9,020,483
- Exercise of ESOS	35,969,276	(9,818,855)	–	26,150,421
- Issuance of shares 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 CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Note	Group 01.06.2021 to 30.09.2022 RM	Group 01.06.2020 to 31.05.2021 RM	Company 01.06.2021 to 30.09.2022 RM	Company 01.06.2020 to 31.05.2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before taxation		(75,280,622)	(105,290,211)	(127,283,776)	4,442,954
Adjustments for:					
Allowance for impairment loss of:					
- Amount owing from subsidiary companies	15	–	–	59,450,762	114,389
- Investment in subsidiary companies	10	–	–	38,329,941	–
- Other receivables	14	462	–	–	–
- Trade receivables	13	2,857,022	28,362	–	–
Amortisation of intangible assets	9	240,921	180,689	–	–
Amortisation of right-of-use assets	7	713,359	54,510	–	–
Bad debt written off:					
- Amount owing from former subsidiary company	25	38,008,747	–	26,429,455	–
- Trade receivables	25	113,400	–	–	–
Deregistration (Winding up) of a subsidiary company	10	3,960,947	–	–	–
Depreciation of property, plant and equipment	5	726,099	58,915	6,823	4,907
Fair value loss on other investments	25	14,322,009	30,594,224	3,340,951	–
Gain on derecognition of right-of-use asset	25	(42,688)	–	–	–
Gain on disposal of property, plant and equipment	25	(1)	–	(1)	–
Reversal of impairment loss of:					
- Trade receivables	13	(201,656)	–	–	–
Share option expenses					
- Director	29	3,135,564	1,241,160	1,933,250	–
- Staff	28	4,300,049	7,779,323	–	–
Interest expenses on:					
- Lease liabilities	24	353,475	11,208	–	–
- Term loan	24	78,944	–	–	–
Interest income:					
- Cash and bank balances	25	(145,533)	(657,661)	(125,383)	(172,585)
- Fixed deposits placed with licensed banks	25	(1,246)	(172)	(122)	(95)
- Lease receivable	25	(1,845)	–	–	–
Dividend income:					
- Other investments	25	(909,371)	(97,657)	(909,371)	(97,656)
Unrealised loss on foreign exchanges:					
- Other investments	25	165,752	186,478	–	186,478

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

	Note	Group 01.06.2021 to 30.09.2022 RM	Group 01.06.2020 to 31.05.2021 RM	Company 01.06.2021 to 30.09.2022 RM	Company 01.06.2020 to 31.05.2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)					
Unrealised gains on foreign exchanges:					
- Amount owing from subsidiary companies	25	–	–	(185,044)	(5,344,703)
- Amount owing from former subsidiary company	25	–	–	(175,958)	–
- Cash and bank balances	25	(107,821)	–	–	–
- Other investments	25	(2,710,955)	–	(2,699,772)	–
Operating loss before working capital changes		(10,424,988)	(65,910,832)	(1,888,245)	(866,311)
Increase in inventories		(3,589,042)	–	–	–
(Increase)/Decrease in receivables		(8,922,609)	65,020,958	273,750	(286,348)
Increase/(Decrease) in payables		929,770	(220,171)	(19,558)	11,371
Cash used in operations		(22,006,869)	(1,110,045)	(1,634,053)	(1,141,288)
Interest paid		(78,944)	–	–	–
Income tax refund		–	25,615	–	25,615
Income tax paid		(1,854)	(67,023)	(1,854)	(1,680)
Net cash used in operating activities		(22,087,667)	(1,151,453)	(1,635,907)	(1,117,353)
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiary companies		–	–	(48,188,302)	(45,438,052)
Additional investment in subsidiary	10	–	–	(60)	–
Cash received on lease receivable		11,400	–	–	–
(Placement)/ Withdrawal of fixed deposits with maturity of more than 3 months		(733,124)	94	–	–
Disposal of other investments		–	1,251,177	–	–
Down payment for purchase of right-of-use assets		(23,186)	–	–	–
Net acquisition of other investments		(54,565,461)	(73,212,347)	(38,804,300)	(27,097,657)
Proceed from disposal of property, plant and equipment		1	–	1	–
Purchase of property, plant and equipment	5	(21,617,880)	(57,991)	(12,617)	–
Purchase of investment property	6	(2,460,000)	–	–	–
Deregistration (Winding up) of a subsidiary company	10	(46,383,704)	–	–	–
Dividend received		909,371	97,657	909,371	97,656
Interest received		146,779	657,661	125,505	172,680
Net cash used in investing activities		(124,715,804)	(71,263,749)	(85,970,402)	(72,265,373)

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

	Note	Group 01.06.2021 to 30.09.2022 RM	Group 01.06.2020 to 31.05.2021 RM	Company 01.06.2021 to 30.09.2022 RM	Company 01.06.2020 to 31.05.2021 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from right share issued	18	99,745,285	-	99,745,285	-
Exercise of ESOS	18	16,119,532	26,150,420	16,119,532	26,150,420
Proceeds from issuance of private placement	18	–	55,118,861	–	55,118,861
Share issuance expenses	18	(979,283)	(735,388)	(979,283)	(735,388)
Repayment of loan and borrowing		(348,056)	–	–	–
Repayment of lease liabilities principal	7	(551,665)	(47,592)	–	–
Repayment of lease liabilities interest	7	(353,475)	(11,208)	–	–
Net cash generated from financing activities		113,632,338	80,475,093	114,885,534	80,533,893
Net (decrease)/ increase in cash and cash equivalents		(33,171,133)	8,059,891	27,279,225	7,151,167
Effect of foreign exchange rate changes		(39,815)	5,459,002	–	–
Cash and cash equivalents as at beginning of the financial period/year		77,345,647	63,826,754	10,586,241	3,435,074
Cash and cash equivalents as at end of the financial period/year		44,134,699	77,345,647	37,865,466	10,586,241
Cash and cash equivalents comprise of:					
Fixed deposits placed with licensed banks	16	765,691	32,445	5,784	5,662
Cash and bank balances	17	44,129,148	77,339,985	37,859,682	10,580,579
Bank overdraft		(233)	–	–	–
		44,894,606	77,372,430	37,865,466	10,586,241
Fixed deposits with maturity of more than 3 months	16	(759,907)	(26,783)	–	–
		44,134,699	77,345,647	37,865,466	10,586,241

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

NOTES TO THE FINANCIAL STATEMENTS

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 22-09, Menara 1 MK, No. 1, Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, W.P. Kuala Lumpur.

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

The Group and the Company changed its financial year end from 31 May to 30 September. Therefore, the financial period covered in these financial statements is for a period of sixteen (16) months from 1 June 2021 to 30 September 2022. Thereafter, the financial year of the Group and of the Company shall revert to twelve (12) months ending 30 September, for each subsequent year. The comparatives are for the financial year from 1 June 2020 to 31 May 2021.

The consolidated financial statements of the Company as at and for the financial period ended 30 September 2022 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial period ended 30 September 2022 do not include other entities.

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 10 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 January 2023.

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.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial period, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 June 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
Amendments to References to Conceptual Framework in IFRS Standards	

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

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

2.3 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 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

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Leases
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.

2.4 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.

2.5 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 are presented in RM, unless otherwise stated.

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2.6 Fundamental accounting concept

The financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as a going concern. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

The ability of the Group and of the Company to operate as going concern is dependent on successful outcome and implementation of the current business plans to generate sufficient cash in the future to fulfil their obligations as and when they fall due. The financial statements of the Group and the Company do not include any adjustment relating to the amount and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

In the event that these are not forthcoming, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements of the Group and of the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concern.

The directors of the Group and of the Company are of the opinion that the preparation of the financial statements of the Group and of the Company on a going concern basis remains appropriate as they believe, and accordingly, realise their assets and discharge their liabilities in the normal course of business.

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 30 September 2022.

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.

3.1.1 Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 3.5 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)

3.1 Basis of consolidation (Cont'd)

3.1.1 Subsidiaries and business combination (Cont'd)

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. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

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 OCI 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 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 acquirer's identifiable net assets at the acquisition date. 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 fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss or OCI.

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 9. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

3.1.1 Subsidiaries and business combination (Cont'd)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5.

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

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's.

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

3.1.2 Non-controlling interests

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 statements of profit or loss and OCI 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.

3.1.3 Transactions eliminated on consolidation

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, 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 and costs of dismantling and removing the items and restoring the site on which they are located. 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/year in which they are incurred.

When an asset is revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in OCI 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 to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Freehold land and buildings are stated at their revalued amount, being its fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent impairment losses, if any. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Depreciation on the property, plant and equipment are 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:

Restaurant's furniture, fittings and equipment	10%
Computer equipment	10% - 33%
Furniture, fittings and equipment	8% - 20%
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 3.5 on impairment of non-financial assets.

An item of property, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment property

Investment property is property which is owned or held under a freehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost, including transaction costs and subsequently at fair value, representing open market value determined annually by independent valuers or assessed by the Directors. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group will use alternative valuation method such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss for the period in which they arise.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

3.4 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 economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets (Cont'd)

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit when the intangible assets are available for use.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

3.4.1 Development expenditure

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

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

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

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

Development expenditures are amortised on a straight-line basis over its useful life. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at the end of each reporting period. See accounting policy Note 3.5 on impairment of non-financial assets.

The amortisation methods used and the estimated useful lives are as follows:

Development expenditure	5 years

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 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 property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial period/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 cash-generating units ("CGU").

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/year.

3.6 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3.8 Financial assets

3.8.1 Classification

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

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

3.8.2 Initial recognition and measurement

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.

3.8.3 Subsequent measurement

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

3.8.3.1 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets (Cont'd)

3.8.3 Subsequent measurement (Cont'd)

3.8.3.1 Financial assets at amortised cost (Cont'd)

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 receivables, other receivable, lease receivable amount owing from subsidiary companies, fixed deposit with licensed banks and cash and bank balances.

3.8.3.2 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.

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 period/year end.

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 period/year end.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets (Cont'd)

3.8.3 Subsequent measurement (Cont'd)

3.8.3.3 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.

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 unquoted shares at the current and previous financial period/ year end.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets (Cont'd)

3.8.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when:

(a) the rights to receive cash flows from the asset have expired; or

(b) the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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.

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

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 ECL, 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 ECL. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime ECL at each reporting date. The Group and the Company estimate the ECL 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.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while the 12-month ECL are the portion of the ECL 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 ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of financial assets (Cont'd)

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 Share capital

3.10.1 Ordinary shares

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:

3.11.1 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial liabilities (Cont'd)

3.11.1 Financial liabilities at FVTPL (Cont'd)

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 period/year end.

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.

3.12 Leases

3.12.1 Leases in which the Group is a lessee

At inception of a contract, the Group 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases (Cont'd)

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

(a) Right-of-use assets

The Group recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated amortisation 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 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 amortized 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.

Amortisation 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	3 - 10 years
Motor vehicles	5 years

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases (Cont'd)

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

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

The Group 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 is reasonably certain to exercise that option.

Under some of the leases, the Group are offered with the option to extend the lease term for additional one to eight years. The Group 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 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.

3.12.2 Leases in which the Group is a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group is intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.12.1(c), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group apply MFRS 15 to allocate the consideration under the contract to each component.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

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 prepayment for liquidity services and amortised over the period of the facility to which it relates.

3.14 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.

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

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

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

Level 3: Unobservable inputs for the asset or liability.

The 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 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 are 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 current and previous financial period/year end.

3.15 Income tax

3.15.1 Income tax expenses

Current income 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 at the reporting date in the countries where the Group and the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.15.2 Deferred tax

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

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

(a) When the deferred tax liability arises from the initial recognition of goodwill or 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;

(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Income tax (Cont'd)

3.15.2 Deferred tax (Cont'd)

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date 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 asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 reporting date.

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 either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group and the Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 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 period/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.

3.17 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 and previous financial period/year end.

3.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an assets, it is recognised as deferred income in the statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.19 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 Group satisfy a performance obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Revenue recognition and other income (Cont'd)

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 performs.

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:-

3.19.1 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.

3.19.2 IT Consultancy, E-commerce services and logistic services

Revenue is recognised over time 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.

3.19.3 Rental income

Rental income is recognised over time on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate.

3.19.4 Interest income

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

3.19.5 Management fee

Management fee is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Employee benefits

3.20.1 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.

3.20.2 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 period/year. 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").

3.21 Share-based payments

3.21.1 Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's and the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group and the Company revise its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

The fair value of the employee share options is measured using the Trinomial Option Pricing Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non market performance conditions attached to the transactions are not taken into account in determining fair value.

Equity-settled share-based payments with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the Group and the Company obtain the goods or the counterparty renders the service.

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in the fair value recognised in profit or loss for the financial period/year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 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.

3.23 Foreign currency transactions and operations

3.23.1 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.

3.23.2 Translation of 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.23 Foreign currency transactions and operations (Cont'd)

3.23.3 Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in OCI. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests.

3.24 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 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.25 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 period/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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Revaluation of properties

The Group carry their properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged external valuer to determine the fair values. The valuation methods adopted by the valuer include sales comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences; income approach, being the projected net income and other benefits that are the subject property can generate over the life of the property capitalised at market derived yields to arrive at the present value of the property. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations Any changes in these assumptions will have an impact on the carrying amounts of the properties.

The carrying amounts of the Group's properties at the reporting date are disclosed in Note 5 and Note 6.

4.2 Depreciation of property, plant and equipment and amortisation of right-of-use assets

The cost of property, plant and equipment and right-of-use assets are depreciated/amortised on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within a range of 3 to 13 years and right-of-use assets to be within a range of 3 to 10 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 property, plant and equipment and right-of-use assets at the reporting date are disclosed in Note 5 and Note 7.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

4.3 Classification between investment property and owner-occupied property

The Group determines whether a property qualified as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties might comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portion could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portion could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

4.4 Determining the lease term of contracts with renewal options – the Group as lessee

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension option. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group included the renewal period as part of the lease term for leases of building with shorter non-cancellable period. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

4.5 Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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

4.6 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 intangible assets at the reporting date is disclosed in Note 9.

4.7 Write-down of obsolete or slow moving inventories

The Group writes down their obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 12.

4.8 Provision for expected credit losses ("ECL") of trade receivables, other receivables and amount owing form subsidiary companies

The Group uses a provision matrix to calculate ECLs for trade receivables and other 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 customers' actual default in the future. The information about the ECLs on the Group's trade receivables, other receivables and amount owing form subsidiary companies are disclosed in the Note 13, Note 14 and Note 15 respectively.

4.9 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

4.10 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on their 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.

4.11 Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and of the Company are disclosed in Note 26.

4.12 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 19 (c).

5. PROPERTY, PLANT AND EQUIPMENT

Group

2022	At valuation Freehold land and building RM	Restaurant furniture, fittings and equipment RM	Computer equipment RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
At cost, unless otherwise stated						
Balance as at 1 June 2021	–	–	269,744	127,917	16,505	414,166
Additions	4,700,000	215,962	1,133,558	14,419	15,553,941	21,617,880
Deregistration (Winding up) of a subsidiary company (Note 10 (c))	–	–	(92,997)	(102,078)	–	(195,075)
Disposal	–	–	(3,770)	–	–	(3,770)
Balance as at 30 September 2022	4,700,000	215,962	1,306,535	40,258	15,570,446	21,833,201
Less: Accumulated depreciation						
Balance as at 1 June 2021	–	–	178,421	86,479	2,064	266,964
Charge for the financial period	–	–	52,683	6,894	666,522	726,099
Exchange differences	–	–	(250)	–	–	(250)
Deregistration (Winding up) of a subsidiary company (Note 10 (c))	–	–	(75,505)	(81,614)	–	(157,119)
Disposal	–	–	(3,770)	–	–	(3,770)
Balance as at 30 September 2022	–	–	151,579	11,759	668,586	831,924
Net carrying amount						
Balance as at 30 September 2022	4,700,000	215,962	1,154,956	28,499	14,901,860	21,001,277

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

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
Written off	(2,284)	(2,685)	–	(4,969)
Exchange differences	(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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Company

2022	Computer equipment RM	Furniture, fittings and equipment RM	Renovation RM	Total RM
At cost				
Balance as at 1 June 2021	13,748	11,600	–	25,348
Additions	12,617	–	–	12,617
Disposal	(3,770)	–	–	(3,770)
Balance as at 30 September 2022	22,595	11,600	–	34,195
Less: Accumulated depreciation				
Balance as at 1 June 2021	11,706	3,286	–	14,992
Charge for the financial period	5,276	1,547	–	6,823
Disposal	(3,770)	–	–	(3,770)
Balance as at 30 September 2022	13,212	4,833	–	18,045
Net carrying amount				
Balance as at 30 September 2022	9,383	6,767	–	16,150

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(i) The cost of fully depreciated property, plant and equipment that are still in use are as follows:

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Computer equipment	119,868	10,733	8,378	–

(ii) Had the revalued properties been carried at cost less accumulated depreciation, the carrying amount of the properties would have been RM4,692,950.

(iii) The entire land and buildings of the Group were revalued by an independent qualified valuer, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation. There was no revaluation surplus been recognised as Other Comprehensive Income as the valuation was at no gain no loss.

Fair value information

Fair value of property, plant and equipment is categorised as follows:

	30.09.2022			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Freehold land and building	–	4,700,000	–	4,700,000
	–	4,700,000	–	4,700,000

<u>Policy on transfer between levels</u>

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.

<u>Level 1 fair value</u>

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.

<u>Level 2 fair value</u>

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.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

<u>Level 3 fair value</u>

Level 3 fair value is estimated using unobservable inputs for the property, plant and equipment.

The Group do not have Level 1 fair value property, plant and equipment. There is also no transfer between level 1 and level 2 during the financial period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTY

Group	Freehold land and building RM	Total RM
At fair value:		
Balance as at 1 June 2021	–	–
Additions	5,750,000	5,750,000
Balance as at 30 September 2022	5,750,000	5,750,000

The Group's investment property comprise a commercial property that is leased to third parties. Each lease contains an initial non-cancellable period of 2 years with option to renew for subsequent 1 year. Subsequent renewals are negotiated with the lessee.

An investment property of a subsidiary with a carrying fair value of RM5,750,000 has been pledged as security to secure fixed loan granted to the Group as disclosed in Note 20(a). Approval from the lender is required for any disposal of the investment property. The proceeds from disposal can only be remitted to the Group after full repayment of the term loan.

During the financial period, the following income/(expenses) were recognised in profit or loss for investment property:

	Group	
	30.09.2022 RM	31.05.2021 RM
Rental income	56,313	–
Direct operating expenses that generated rental income	(6,056)	–
	50,257	–

Valuation processes applied by the Group

The fair value of investment properties is determined by external independent property valuers, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia with recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio annually.

(i) Purchase of investment property:

	Group	
	30.09.2022 RM	31.05.2021 RM
Purchase of investment property	5,750,000	–
Less: Amount financed through term loan	(3,290,000)	–
Total cash disbursed for acquisition of investment property	2,460,000	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTY (CONT'D)

Fair value information

Fair value of investment property is categorised as follows:

	30.09.2022			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
Freehold land and building	–	5,750,000	–	5,750,000
	–	5,750,000	–	5,750,000

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.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The Group do not have Level 1 fair value investment properties. There is also no transfer between level 1 and level 2 during the financial period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. LEASES

The Group as lessee

(i) Right-of-use assets

2022	Building RM	Motor vehicles RM	Total RM
At cost			
Balance as at 1 June 2021	51,856	142,908	194,764
Additions	8,294,334	204,586	8,498,920
Derecognition	(82,092)	–	(82,092)
Balance as at 30 September 2022	8,264,098	347,494	8,611,592
Less: Accumulated depreciation			
Balance as at 1 June 2021	49,695	54,782	104,477
Charge for the financial period	639,448	73,911	713,359
Balance as at 30 September 2022	689,143	128,693	817,836
Net carrying amount			
Balance as at 30 September 2022	7,574,955	218,801	7,793,756
2021			
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

The Group lease buildings for a subsidiary's operation site and sub-lease activity. The leases for subsidiary's operation site and sub-lease activity generally contains an initial non-cancellable period of 2 years (31.05.2021: 2 years) with option to renew for subsequent ranging from 1 to 8 years (31.05.2021: 1 to 2 years). Subsequent renewals are negotiated with the lessor.

The Group also have lease motor vehicle with lease term of 5 years with no renewal or purchase option included in the agreement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. LEASES (CONT'D)

The Group as lessee (Cont'd)

(ii) Lease liabilities

2022	**Building RM**	**Motor vehicles RM**	**Total RM**
Carrying amount			
Balance as at 1 June 2021	2,292	84,223	86,515
New lease entered into during the financial period	8,294,334	181,400	8,475,734
Lease payment	(834,733)	(70,407)	(905,140)
Interest expense	333,503	19,972	353,475
Balance as at 30 September 2022	7,795,396	215,188	8,010,584
2021			
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

	Group	
Represented by:	**30.09.2022 RM**	**31.05.2021 RM**
Current liabilities		
<u>Secured</u>		
Lease liabilities	44,696	23,528
<u>Unsecured</u>		
Lease liabilities	730,601	2,292
	775,297	25,820
Non-current liabilities		
<u>Secured</u>		
Lease liabilities	170,492	60,695
<u>Unsecured</u>		
Lease liabilities	7,064,795	–
	7,235,287	60,695

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. LEASES (CONT'D)

The Group as lessee (Cont'd)

(ii) Lease liabilities (Cont'd)

	Group	
	30.09.2022	**31.05.2021**
	RM	**RM**
Total lease liabilities		
Secured		
Lease liabilities	215,188	84,223
Unsecured		
Lease liabilities	7,795,396	2,292
	8,010,584	86,515

Rates of interest charged per annum:

	Group	
	30.09.2022	**31.05.2021**
	%	**%**
Lease liabilities owing to non-financial institutions	5.57 - 6.07	2.82
Lease liabilities owing to financial institutions	4.05 - 6.00	6.00

Lease liabilities

	Group	
	30.09.2022	**31.05.2021**
	RM	**RM**
Minimum lease payment		
- Not later than one year	1,206,070	33,492
- Later than one year but not later than five years	4,529,068	67,608
- Later than five years	4,462,316	–
	10,197,454	101,100
Future finance charges on lease liabilities	(2,186,870)	(14,585)
Present value of lease liabilities	8,010,584	86,515

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. LEASES (CONT'D)

The Group as lessee (Cont'd)

(ii) Lease liabilities (Cont'd)

Lease liabilities (Cont'd)

Present value of lease liabilities is analysed as follows:

	Group	
	30.09.2022	**31.05.2021**
	RM	**RM**
Current liabilities		
- Not later than one year	775,297	25,820
Non-current liabilities		
- Later than one year but not later than five years	3,267,070	60,695
- Later than five years	3,968,217	–
	7,235,287	60,695
	8,010,584	86,515

(a) The following are the amounts recognised in profit or loss:

	Group	
	01.06.2021 to 30.09.2022	**01.06.2020 to 31.05.2021**
	RM	**RM**
Included in administrative expenses		
Amortisation of right-of-use assets	713,359	54,510
Expense relating to lease of low-value assets	137,100	–
Included in finance costs		
Interest on lease liabilities	353,475	11,208

(b) At the end of the financial period/year, the Group had total cash outflow for leases of RM905,140 (31.05.2021: RM58,800).

(c) At the end of the financial period/year, the Group had total leases of low-value asset of RM137,100 (31.05.2021: NIL).

8. LEASE RECEIVABLE

During the financial period, the Group entered into a lease arrangement with a sub-tenant for 2 years with option to renew for subsequent 1 year that are considered to be a finance lease as it transfer substantially all of the risks and rewards of ownership of the asset.

The maturity analysis of lease receivable, including the undiscounted lease payments to be received are as follows:

	Group	
	30.09.2022 RM	**31.05.2021 RM**
Lease receivable		
- Not later than one year	45,600	–
- Later than one year but not later than five years	79,800	–
	125,400	–
Unearned finance income	(10,175)	–
Present value of lease receivable	115,225	–

	Group	
	30.09.2022 RM	**31.05.2021 RM**
Present value of lease receivable is analysed as follows:		
Current asset		
Unsecured		
- Not later than one year	39,698	–
Non-current asset		
Unsecured		
- Later than one year but not later than five years	75,527	–
Total lease receivable		
Unsecured		
Lease receivable	115,225	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INTANGIBLE ASSETS

Group

	Goodwill RM	Development Expenditure RM	Total RM
2022			
At cost			
Balance as at 1 June 2021/30 September 2022	–	903,447	903,447
Less: Accumulated amortisation and impairment loss			
Balance as at 1 June 2021	–	464,289	464,289
Amortisation for the financial period	–	240,921	240,921
Balance as at 30 September 2022	–	705,210	705,210
Net carrying amount			
Balance as at 30 September 2022	–	198,237	198,237
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

Impairment test for goodwill on consolidation

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

	Group 30.09.2022 RM	31.05.2021 RM
Balance as at beginning of the financial period/year	–	72,790
Written off	–	(72,790)
Balance as at end of the financial period/year	–	–

10. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	30.09.2022	**31.05.2021**
	RM	**RM**
Unquoted shares, at cost		
- in Malaysia	1,164,541	1,164,541
- outside Malaysia	14,966	14,966
	1,179,507	1,179,507
Addition	60	–
Balance as at end of the financial period/year	1,179,567	1,179,507
Capital contribution		
Balance as at beginning of the financial period/year	–	–
Capitalisation from amount due from subsidiary companies (Note 15)	77,679,014	–
Balance as at end of the financial period/year	77,679,014	–
Less: Accumulated impairment losses		
Balance as at beginning of the financial period/year	929,505	929,505
Impairment losses recognised during the financial period/year	38,329,941	–
Balance as at end of the financial period/year	39,259,446	929,505
Net carrying amount		
Balance as at end of the financial period/year	39,599,135	250,002

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The details of subsidiary companies are as follows:-

Name of subsidiaries	Country of incorporation / Principal place of business	Effective equity interest 30.09.2022	Effective equity interest 31.05.2021	Principal activities
Direct holding				
Lambopay Sdn. Bhd.	Malaysia	100%	100%	Dormant
Lambomove Sdn. Bhd.	Malaysia	100%	100%	Provision of logistic services and sublease and administrator of right-of-use assets
Lamboplace Sdn. Bhd.	Malaysia	100%	100%	(i) Provision of general trading and retail sales of any kind of products over the internet platform and wholesale of food, beverage and tobacco (ii) Provision of operator of restaurant, bar and retail sale of food and beverages
Lambo BBB Sdn. Bhd.	Malaysia	60%	–	Dormant
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

Name of subsidiaries	Country of incorporation / Principal place of business	Effective equity interest 30.09.2022	31.05.2021	Principal activities
Subsidiary company of Oriented Media Holdings Limited				
Fujian Accsoft Technology Development Co. Ltd. *^	The People's Republic of 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 hazardous chemicals), wholesale, after-sales service, warehousing services, network design, shoes and textile technology R&D and promotion.

* Subsidiary companies not audited by CAS Malaysia PLT, Chartered Accountants.

^ The Company was deregistered (wound up) on 16 May 2022 as disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Non-controlling interests

The non-controlling interests at the end of the reporting period comprise the followings:-

	Effective equity interest		Group	
	30.09.2022	31.05.2021	30.09.2022	31.05.2021
	%	%	RM	RM
Gen M Prominent Sdn. Bhd.	20	20	(299,081)	(292,240)
Lambo BBB Sdn. Bhd.	40	–	(3,189)	–
			(302,270)	(292,240)

The summarised financial information of non-controlling interest is not presented as the non-controlling interest of the subsidiaries are not individually material to the Group.

(b) Incorporation of a subsidiary company

Incorporation of a subsidiary, Lambo BBB Sdn. Bhd.

On 8 October 2021, Lambo Group Berhad incorporated a subsidiary, Lambo BBB Sdn. Bhd. by way of subscribing of 60 ordinary shares of RM1.00 each, representing 60% equity interest in Lambo BBB Sdn. Bhd. for a total purchase consideration of RM60.00.

(c) Deregistration (Winding up) of a subsidiary company

Deregistration (Winding up) of Fujian Accsoft Technology Development Co. Ltd.

On 16 May 2022, Fujian Accsoft Technology Development Co. Ltd. was deregistered (wound up) as disclosed in Note 34 to the financial statements.

10. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Deregistration (Winding up) of a subsidiary company (Cont'd)

Summary of the effects of deregistration (winding up):

	Fujian Accsoft Technology Development Co. Ltd. RM	Total RM
Derecognised:		
Assets		
Property, plant and equipment (Note 5)	37,956	37,956
Other receivables	5,074	5,074
Tax recoverable	82,115	82,115
Cash and bank balances	46,383,704	46,383,704
Total assets	46,508,849	46,508,849
Liabilities		
Other payables	(1,367,809)	(1,367,809)
Amount owing to ultimate holding company	(26,427,496)	(26,427,496)
Amount owing to holding company	(11,551,527)	(11,551,527)
Total liabilities	(39,346,832)	(39,346,832)
Gain on foreign exchange translation reserve	(3,201,070)	(3,201,070)
Loss on deregistration (winding up) of a subsidiary company	3,960,947	3,960,947

Effects of deregistration (winding up) on cash flows:

	Fujian Accsoft Technology Development Co. Ltd. RM	Total RM
Fair value of consideration received	–	–
Less: Cash and cash equivalents	(46,383,704)	(46,383,704)
Net cash inflows from deregistration (winding up)	(46,383,704)	(46,383,704)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. OTHER INVESTMENTS

	Group		Company	
	30.09.2022	31.05.2021	30.09.2022	31.05.2021
Non-current assets	RM	RM	RM	RM
At fair value:				
Quoted shares in Malaysia	24,308,003	14,934,794	4,553,979	–
Unquoted investment	60,520,321	26,911,179	60,520,321	26,911,179
	84,828,324	41,845,973	65,074,300	26,911,179

The fair value of the quoted equity instruments in Malaysia is measured based on quoted market value as at 30 September 2022.

12. INVENTORIES

	Group	
	30.09.2022	31.05.2021
	RM	RM
At cost		
Finished goods	3,589,042	–
Recognised in profit or loss		
Inventories recognised as cost of sales	14,513,505	–

13. TRADE RECEIVABLES

	Group	
	30.09.2022	31.05.2021
	RM	RM
Trade receivables, gross		
- Third parties	6,133,753	461,196
- Related parties	288,946	5,441
	6,422,699	466,637
Less: Allowance for impairment losses	(2,866,866)	(211,500)
Trade receivables, net	3,555,833	255,137

Movement in the allowance 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE RECEIVABLES (CONT'D)

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 period/year are as follows:

Group

	Lifetime ECL RM	**Credit impaired RM**	**Total RM**
30.09.2022			
Balance as at beginning of the financial period	–	211,500	211,500
Allowance for impairment losses	13,807	2,843,215	2,857,022
Reversal of allowance for impairment losses	–	(201,656)	(201,656)
Balance as at end of the financial period	13,807	2,853,059	2,866,866
31.05.2021			
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

Based on the Group'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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE RECEIVABLES (CONT'D)

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

Group

	Gross carrying amount RM	Allowance for impairment losses ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
30.09.2022				
Current	2,362,000	(2,823)	(1,012,177)	1,347,000
Past due 1 - 30 days	3,660,819	(316)	(1,797,347)	1,863,156
Past due 31 - 60 days	102,929	(448)	(6,876)	95,605
Past due 61 - 90 days	39,143	(132)	(2,238)	36,773
Past due more than 90 days	257,808	(7,205)	(37,303)	213,300
	6,422,699	(10,924)	(2,855,941)	3,555,834
31.05.2021				
Current	46,940	–	–	46,940
Past due 1 - 30 days	55,963	–	–	55,963
Past due 31 - 60 days	52,823	–	–	52,823
Past due more than 90 days	310,911	–	(211,500)	99,411
	466,637	–	(211,500)	255,137

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 1 to 60 days (31.05.2021: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. OTHER RECEIVABLES

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Other receivables				
- Third parties	18,245	9,359	3,521	3,521
- Related parties	9,524	–	–	–
Less: Allowance for impairment losses	(3,983)	(3,521)	(3,521)	(3,521)
	23,786	5,838	–	–
Deposits				
- Third parties	1,824,228	7,920	–	–
- Related parties	701,704	–	–	–
Prepayments				
- Third parties	182,734	288,795	12,598	286,348
- Related parties	417,712	–	–	–
	3,150,164	302,553	12,598	286,348

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

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Balance as at beginning of the financial period/year	3,521	3,521	3,521	3,521
Allowance for impairment losses	462	–	–	–
Balance as at end of the financial period/year	3,983	3,521	3,521	3,521

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. AMOUNT OWING FROM SUBSIDIARY COMPANIES

	Company	
	30.09.2022 RM	31.05.2021 RM
Current assets		
Amount owing from subsidiary companies	80,051,276	130,760,277
Less: Accumulated impairment losses	(59,712,447)	(261,685)
	20,338,829	130,498,592

During the financial period ended 30 September 2022, the Company has capitalised amount due from subsidiary companies amounting to RM77,679,014 as additional investment contribution to its subsidiary companies in Note 10.

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

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

	Company	
	30.09.2022 RM	31.05.2021 RM
Balance as at beginning of the financial period/year	261,685	147,296
Impairment losses recognised during the financial period/year	59,450,762	114,389
Balance as at end of the financial period/year	59,712,447	261,685

16. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
With maturity of 1 to 3 months	5,784	5,662	5,784	5,662
With maturity of more than 3 months	759,907	26,783	–	–
	765,691	32,445	5,784	5,662

Included in the fixed deposits placed with licensed banks of the Group, RM732,000 is pledged for loan and borrowing granted to a subsidiary as disclosed in Note 20(a) to the financial statements.

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

Group

	30.09.2022	31.05.2021
Effective interest rates	1.50% - 1.85%	1.50% - 1.85%
Maturity period	one month to one year	one month to one year

Company	30.09.2022	31.05.2021
Effective interest rates	1.50%	1.50%
Maturity period	one month	one month

17. CASH AND BANK BALANCES

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Analyse as:				
Ringgit Malaysia	44,121,651	31,253,963	37,859,682	10,580,579
Singapore Dollar	–	587	–	–
China Renminbi	7,497	46,085,435	–	–
	44,129,148	77,339,985	37,859,682	10,580,579

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. SHARE CAPITAL

	Group/Company			
	30.09.2022	31.05.2021	30.09.2022	31.05.2021
	Number of shares		RM	RM
Issued and fully paid:				
Balance at the beginning of the financial period/year	4,987,880,099	2,354,449,999	190,810,581	100,457,832
Pursuant to exercise of ESOS	343,531,000	1,045,063,000	22,902,946	35,969,276
Right issue with Free Warrant C	997,452,851	–	45,763,137	–
Private placement	–	1,588,367,100	–	55,118,861
Share issuance expenses	–	–	(979,283)	(735,388)
Share consolidation	(4,788,364,904)	–	–	–
Balance at the end of the financial period/year	1,540,499,046	4,987,880,099	258,497,381	190,810,581

During the financial period, the Company increased its share capital from RM190,810,581 to RM258,497,381 through the following:

(a) 343,531,000 new ordinary shares at an exercise price range from RM0.0450 to RM0.0475 per ordinary share for a total cash consideration of RM16,119,532 and fair value of RM6,783,414 pursuant to the exercise of Employee Share Option Scheme ("ESOS");

(b) 997,452,851 new ordinary shares for a total cash consideration of RM99,745,285 and fair value of RM53,982,148 pursuant to the Company's renounceable rights issue of 997,452,851 new ordinary shares in the Company ("Rights Shares") on the basis of 5 Rights Shares for every 1 existing ordinary share held together with 398,981,138 free detachable warrants ("Warrants C") on the basis of 2 Warrant C for every 1 existing ordinary share subscribed by the entitled shareholders;

(c) an amount of RM979,283 was utilised out of the share capital for share issuance expenses; and

(d) the Company has completed the share consolidation exercise by consolidating twenty five (25) ordinary shares in the Company into one (1) ordinary share and Warrants B.

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

18. SHARE CAPITAL (CONT'D)

(i) WARRANTS B (2019/2024)

On 7 May 2019, the Company had issued 1,051,058,992 new warrants on the basis of 1 Warrant B for every 2 existing ordinary shares in the Company pursuant to the Bonus Issue of Warrants.

The Warrants B will expire on 29 April 2024. The exercise period for the Warrants B is 5 years commencing from the date of issuance of the Warrants B.

On 26 July 2021, the Company has completed the share consolidation exercise by consolidating twenty five (25) ordinary shares in the Company and Warrants B into 1 ordinary share and 1 warrant B of the Company. As a result, the exercise price of the Warrant B has been revised to RM4.00 each.

On 13 September 2021, 52,552,670 additional Warrants B was listed on the ACE Market of Bursa Securities arising from the adjustment to Warrants B pursuant to the Rights Issue. As a result, the exercise price of Warrant B has been revised to RM1.67 each.

Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

The movement of Warrants B during the financial period is as follows:

		Number of warrants			
	Exercise price RM	As at 01.06.2021 Units	Issued Units	Share Consolidation Units	As at 30.09.2022 Units
Warrants B (2019/ 2024)	1.67	1,051,058,992	52,552,670	(1,009,016,642)	94,595,020

(ii) WARRANTS C (2021/2024)

On 13 September 2021, the Company had issued 398,981,138 new warrants on the basis of 2 Warrants C for every 5 rights shares in the Company pursuant to the Rights Issue with Warrants. The Warrants C will expire on 6 September 2024. The exercise period for the Warrants C is three (3) years commencing from the date of issuance of the Warrants C.

Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

The movement of Warrants C during the financial period is as follows:

		Number of warrants			
	Exercise price RM	As at 01.06.2021 Units	Issued Units	Share Consolidation Units	As at 30.09.2022 Units
Warrants C (2021/ 2024)	0.10	–	398,981,138	–	398,981,138

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. SHARE CAPITAL (CONT'D)

(iii) EMPLOYEE SHARE OPTION SCHEME ("ESOS")

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 exercise 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 the Group has on 28 August 2020 announced that the Company has resolved to extend its existing ESOS on 22 July 2020, which was due for expiry on 6 August 2020, for another five (5) years until 6 August 2025 in accordance with the terms of the ESOS By-Laws.

<u>Movement of ESOS during the financial period</u>

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

Grant date	Exercise price RM	As at 01.06.2021	Number of options over ordinary shares Granted	Exercised	Lapsed	As at 0.09.2022
19.11.2021	0.0475	–	299,509,000	(264,255,000)	(35,254,000)	–
27.12.2021	0.0450	–	79,276,000	(79,276,000)	–	–

18. SHARE CAPITAL (CONT'D)

(iii) EMPLOYEE SHARE OPTION SCHEME ("ESOS") (CONT'D)

The fair value of share options granted during the financial period was estimated by 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").

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

Grant date	**19.11.2021**	**27.12.2021**
Fair value of share options and assumptions	0.0185	0.0239
Weighted average fair value of share option at grant date (RM)		
Weighted average share price (RM)	0.0500	0.0450
Option life (years)	5 years	5 years
Risk-free rate (%)	3.54	3.56
Expected dividends (%)	–	–
Expected volatility (%)	226.98	112.70

19. RESERVES

		Group		Company	
		30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Non-distributable:					
Foreign currency translation reserve	(a)	(1,596,462)	1,557,757	–	–
Warrant reserve	(b)	53,982,148	–	53,982,148	–
Share option reserve	(c)	–	–	–	–
Distributable:					
Accumulated losses	(d)	(148,222,768)	(73,604,375)	(149,933,477)	(22,649,701)
		(95,837,082)	(72,046,618)	(93,563,157)	(22,649,701)

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. RESERVES (CONT'D)

(b) Warrant reserve

The warrant reserve represents the reserve arising from the renounceable rights issue with free detachable free warrants which is determined based on the estimated fair value of the warrants immediately upon the listing and quotation thereof.

(c) Share option reserve

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

(d) Accumulated losses

The Group and the Company reported accumulated losses position as at reporting date.

20. LOAN AND BORROWING

		Group	
	Note	30.09.2022 RM	31.05.2021 RM
Non-current liability			
Secured			
Term loan	(a)	2,330,698	–
Current liability			
Secured			
Term loan	(a)	611,246	–
Total loan			
Secured			
Term loan	(a)	2,941,944	–

Rates of interest charged per annum:

	Group	
	30.09.2022 %	31.05.2021 %
Term loan	BLR - 2%	–

20. LOAN AND BORROWING (CONT'D)

(a) Term loan

	Group	
	30.09.2022 RM	**31.05.2021 RM**
Minimum lease payment		
- Not later than one year	732,000	–
- Later than one year and not later than five years	2,539,829	–
	3,271,829	–
Future finance charges on fixed loan	(329,885)	–
Present value of fixed loan	2,941,944	–

Present value of term loan is analysed as follows:

	Group	
	30.09.2022 RM	**31.05.2021 RM**
Current liability		
- Not later than one year	611,246	–
Non-current liability		
- Later than one year and not later than five years	2,330,698	–
	2,941,944	–

The term loan from a licensed bank is repayable by monthly instalments of RM61,000 over five (5) years commencing from the day of first drawdown and is secured and supported as follows:

(i) Legal charge over the freehold land and building as disclosed in Note 6;

(ii) Fixed deposits of the Group as disclosed in Note 16; and

(iii) Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. TRADE PAYABLES

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Trade payables				
- Third parties	413,502	251,251	229,853	229,853
- Related parties	218	–	–	–
	413,720	251,251	229,853	229,853

The trade payables are non-interest bearing and the normal trade credit terms received by the Group and the Company range from 7 to 60 days (31.05.2021: 30 to 60 days).

22. OTHER PAYABLES

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Other payables				
- Third parties	191,830	145,485	66	4,653
- Related parties	137,623	–	–	–
	329,453	145,485	66	4,653
Accruals	377,448	1,567,123	126,739	151,800
Deposit received				
- Third parties	30,832	–	10,090	–
- Related parties	374,570	–	–	–
	405,402	–	10,090	–
Amount owing to a director	46,206	16,481	–	–
	1,158,509	1,729,089	136,895	156,453

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

23. REVENUE

	Group	
	01.06.2021 to 30.09.2022 RM	**01.06.2020 to 31.05.2021 RM**
Sale of goods	14,909,655	–
IT Consultancy and E-commerce services	98,295	1,447,903
Logistic services	833,357	719,625
Rental	743,908	–
Wholesale of shoe products	–	22,603,809
	16,585,215	24,771,337
Timing and recognition		
- At a point in time	15,743,012	23,323,434
- Over time	842,203	1,447,903
	16,585,215	24,771,337

The Group do not have performance obligations that are unsatisfied for contracts under IT Consultancy and E-commerce services that have an original duration of more than one year at the reporting date.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and accordingly, do not disclose information about remaining performance obligations that have original expected durations of one year or less.

The remaining performance obligations where service have not been rendered as at the reporting date are shown as below:

	Group	
	01.06.2021 to 30.09.2022 RM	**01.06.2020 to 31.05.2021 RM**
Rendering of service		
- Within 1 year	1,843,536	–
- Between 1 to 2 years	1,843,536	–
- Between 2 to 3 years	1,084,200	–
	4,771,272	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. FINANCE COST

	Group 01.06.2021 to 30.09.2022 RM	Group 01.06.2020 to 31.05.2021 RM	Company 01.06.2021 to 30.09.2022 RM	Company 01.06.2020 to 31.05.2021 RM
Interest expense on:				
Lease liabilities	353,475	11,208	–	–
Term loan	78,944	–	–	–
	432,419	11,208	–	–

25. (LOSS)/PROFIT BEFORE TAXATION

	Group 01.06.2021 to 30.09.2022 RM	Group 01.06.2020 to 31.05.2021 RM	Company 01.06.2021 to 30.09.2022 RM	Company 01.06.2020 to 31.05.2021 RM
(Loss)/Profit before taxation is arrived at after charging:				
Allowance for impairment loss:				
- Amount owing from subsidiary companies (Note 15)	–	–	59,450,762	114,389
- Investment in subsidiary companies (Note 10)	–	–	35,941,769	–
- Trade receivables (Note 13)	2,857,022	28,362	–	–
- Other receivables (Note 14)	462	–	–	–
Amortisation of intangible assets (Note 9)	240,921	180,689	–	–
Amortisation of right-of-use assets (Note 7)	713,359	54,510	–	–
Auditors' remuneration:				
Statutory audit				
- CAS Malaysia PLT	138,000	192,452	100,000	120,000
- Other firm	27,042	–	–	–
Other services	85,000	10,000	85,000	10,000
Bad debt written off:				
- Amount owing from former subsidiary company	38,008,747	–	26,429,455	–
- Trade receivables	113,400	–	–	–
Cold room rental	15,000	–	–	–
Depreciation of property, plant and equipment (Note 5)	726,099	58,915	6,823	4,907
Directors' remuneration (Note 29)	843,388	634,352	472,238	329,644
Employee benefits expenses (Note 28)	4,898,306	3,710,125	274,053	47,192
Fair value loss on other investments	14,322,009	30,594,224	3,340,951	–
Office rental	101,000	–	–	–
Rental of equipment	4,700	2,640	–	–
Share option expenses:				
- Director (Note 29)	3,135,564	1,241,160	1,933,250	–
- Staff (Note 28)	4,300,049	7,779,323	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM
Unrealised loss on foreign exchanges:				
- Other investments	165,752	186,478	–	186,478
Warehouse rental	29,900	–	–	–
Loss on deregistration (winding up) of a subsidiary company (Note 10)	3,960,947	–	–	–
(Loss)/Profit before taxation is arrived at after crediting:				
Dividend income:				
- Other investments	(909,371)	(97,657)	(909,371)	(97,656)
Gain on derecognition of right-of-use assets	(42,688)	–	–	–
Gain on disposal of property, plant and equipment	(1)	–	(1)	–
Interest income:				
- Cash and bank balances	(145,533)	(657,661)	(125,383)	(172,585)
- Fixed deposits placed with licensed banks	(1,246)	(172)	(122)	(95)
- Lease receivable	(1,845)	–	–	–
Management fees paid by a subsidiary company (Note 29)	–	–	(112,000)	(84,000)
Rental income	(56,313)	–	–	–
Reversal of impairment loss of:				
- Trade receivables (Note 13)	(201,656)	–	–	–
Unrealised gains on foreign exchanges:				
- Amount owing from subsidiary companies	–	–	(185,044)	(5,344,703)
- Amount owing from former subsidiary company	–	–	(175,958)	–
- Cash and bank balance	(107,821)	–	–	–
- Other investments	(2,710,955)	–	(2,699,772)	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. TAXATION

	Group		Company	
	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM
Income taxation				
Provision for current financial period/year	–	167,974	–	–
Underprovision in the previous financial year	–	6,296	–	6,296
Tax expenses for the current financial period/year	–	174,270	–	6,296

Domestic current income tax is calculated at the statutory tax rate of 24% (31.05.2021: 24%) of the estimated assessable (loss)/profit for the period/year. The corporate tax rate applicable to the China subsidiary of the Group was 25% (31.05.2021: 25%) and Singapore subsidiary of the Group was 17% (31.05.2021:17%).

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	
	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM
(Loss)/profit before taxation	(75,280,622)	(105,290,211)	(127,283,776)	4,442,954
Tax at the statutory tax rate of 24% (2021: 24%)	(18,067,349)	(25,269,651)	(30,548,106)	1,066,309
Non-deductible expenses	9,775,066	17,537,584	844,123	2,347
Non-taxable income	–	(1,283,490)	–	(1,282,729)
Effect of different tax rates in other countries	(292,357)	4,658,481	–	–
Deferred tax assets not recognised during the financial period/year	8,584,640	4,525,050	29,703,983	214,073
Income taxation underprovided in the previous financial year	–	6,296	–	6,296
Tax expenses for the current financial period/year	–	174,270	–	6,296

26. TAXATION (CONT'D)

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

	Group		Company	
	01.06.2021 to 30.09.2022 RM	**01.06.2020 to 31.05.2021 RM**	**01.06.2021 to 30.09.2022 RM**	**01.06.2020 to 31.05.2021 RM**
Deductible temporary difference	19,310,144	939,937	120,125,118	1,189,406
Unutilised tax losses	35,915,073	19,087,339	5,634,182	810,805
Unabsorbed capital allowance	7,008,330	6,436,935	5,320,531	5,313,024
	62,233,547	26,464,211	131,079,831	7,313,235
Unrecognised deferred tax assets at 24% (31.05.2021: 24%)	14,936,051	6,351,411	31,459,159	1,755,176

The unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The availability of unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group and the Company are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group		Company	
	01.06.2021 to 30.09.2022 RM	**01.06.2020 to 31.05.2021 RM**	**01.06.2021 to 30.09.2022 RM**	**01.06.2020 to 31.05.2021 RM**
Utilisation period				
Expired by YA 2028	1,524,552	1,524,552	–	–
Expired by YA 2029	2,576,756	2,576,756	270,198	270,198
Expired by YA 2030	2,295,204	2,295,204	240,175	240,175
Expired by YA 2031	12,690,827	12,690,827	300,432	300,432
Expired by YA 2032	16,827,734	–	4,823,377	–
	35,915,073	19,087,339	5,634,182	810,805

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. EARNINGS PER SHARE

(a) Basic loss per ordinary share

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

	Group	
	01.06.2021 to 30.09.2022	**01.06.2020 to 31.05.2021**
Loss attributable to owners of the Company (RM)	(75,270,592)	(105,196,272)
Weighted average number of ordinary shares on issue (units)	1,191,003,721	3,820,450,173
Basic loss per share for the financial period/year (sen)	(6.32)	(2.75)

(b) Diluted loss per ordinary share

Diluted loss per share is calculated by dividing the loss for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/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 ESOS into ordinary shares.

	Group	
	01.06.2021 to 30.09.2022	**01.06.2020 to 31.05.2021**
Loss attributable to owners of the Company (RM)	(75,270,592)	(105,196,272)
Weighted average number of ordinary shared on issue (units)	1,191,003,721	3,820,450,173
Adjusted for:		
Assumed shares issued from the conversion of		
- Warrants B 2019/2024 *	–	–
- Warrants C 2021/2024 *	–	–
- ESOS	–	–
Adjusted weighted average number of ordinary shares on issue and issuable (units)	1,191,003,721	3,820,450,173
Diluted loss per share (sen)	(6.32) ^	(2.75) ^

* The exercise price of the warrant exceeds the average market price of ordinary shares during the financial period. 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 period 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM
Staff costs (excluding Directors):				
Recognised in cost of sales				
Salaries, wages and bonus	1,320,354	1,419,297	–	–
Recognised in profit or loss				
Salaries, bonuses, incentives, overtime, commissions, allowances and others	3,167,502	1,989,999	241,473	41,062
Pension costs: defined				
- Employees' Provident Fund ("EPF") contribution	372,736	257,204	29,005	5,342
- Social Security Organisation ("SOCSO") contribution	33,844	41,293	3,208	707
- Employment Insurance System ("EIS") contribution	3,870	2,332	367	81
Share option expenses	4,300,049	7,779,323	–	–
	9,198,355	11,489,448	274,053	47,192

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 period/year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

The key management personnel compensation are as follows:

	Group		Company	
	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM
Directors of the Company				
Executive directors:				
Salaries and other benefits	240,348	250,223	240,348	156,000
Director fee	94,000	15,000	–	15,000
Pension costs: defined				
- Employees' Provident Fund ("EPF") contribution	26,640	18,720	26,640	18,720
- Social Security Organisation ("SOCSO") contribution	1,122	2,371	1,122	829
- Employment Insurance System ("EIS") contribution	128	95	128	95
Share option expenses	1,933,250	–	1,933,250	–
	2,295,488	286,409	2,201,488	190,644
Non-executive directors:				
Director fee	268,000	139,000	204,000	139,000
	2,563,488	425,409	2,405,488	329,644

29. RELATED PARTY DISCLOSURES (CONT'D)

(a) Compensation of key management personnel (Cont'd)

The key management personnel compensation are as follows:

	Group		Company	
	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM
Directors of the Subsidiary Companies				
Executive directors:				
Salaries and other benefits	74,250	54,000	–	–
Director fee	128,000	114,000	–	–
Pension costs: defined				
- Employees' Provident Fund ("EPF") contribution	9,659	7,020	–	–
- Social Security Organisation ("SOCSO") contribution	1,114	828	–	–
- Employment Insurance System ("EIS") contribution	127	95	–	–
Share option expenses	1,202,314	1,241,160	–	–
	1,415,464	1,417,103	–	–
Non-executive directors:				
Director fee	–	33,000		
	1,415,464	1,450,103	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions

Identity of related parties

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

Related parties of the Group and the Company include:

(i) Direct and indirect subsidiaries as disclosed in Note 10 to the financial statements;

(ii) Entities in which directors have substantial financial interests; and

(iii) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

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 period/year:

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Transaction with subsidiary companies				
Management fees charged to subsidiary company:				
- Lambomove Sdn. Bhd.	–	–	112,000	84,000

29. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions (Cont'd)

	Group		Company	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
Transaction with related parties				
Sales of goods to	1,271,269	1,600	–	–
Logistic services provided to	385,992	18,769	–	–
Rental charged to	11,400	–	–	–
Purchased of goods from	(54,358)	–	–	–
Logistic services provided by	(61,815)	(21,397)	–	–
Rental charged by	(780,134)	–	–	–
General expenses charged by	(666,368)	–	–	–
Deposit paid to	(460,000)	–	–	–
General expenses paid to	(1,000,331)	–	–	–
Purchased of assets from	(1,102,399)	–	(2,399)	–
Transaction with corporate shareholders				
Sales of goods to	4,912,264	–	–	–
General expenses charged by	3,715	–	–	–
Rental charged to	326,653	–	–	–
Transaction with directors				
Sales of goods to	25,122	–	–	–

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

30. CAPITAL COMMITMENTS

	Group	
	30.09.2022 RM	31.05.2021 RM
Approved and contracted for: -		
- Property, plant and equipment	460,000	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. 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

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**	
	30.09.2022 RM	**31.05.2021 RM**	**30.09.2022 RM**	**31.05.2021 RM**
Based on location of customer				
Malaysia	15,870,016	922,407	119,647,121	27,550,121
People's Republic of China	–	23,848,930	–	14,972,499
People's Republic of China, Taiwan Province	715,199	–	–	–
	16,585,215	24,771,337	119,647,121	42,522,620

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. SEGMENT INFORMATION (CONT'D)

Measurement of Reportable Segments (Cont'd)

(b) Business Segments

The reportable business segment of the Group comprise the following:

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. SEGMENT INFORMATION (CONT'D)

Measurement of Reportable Segments (Cont'd)

(b) Business Segments (Cont'd)

	IT Consultancy and E-commerce Services		Logistic services		Wholesale of shoe product		Others		Eliminations		Consolidated	
	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM	30.09.2022 RM	31.05.2021 RM
External revenue	15,007,950	1,447,903	1,577,265	719,625	-	22,603,809	-	-		-	16,585,215	24,771,337
Inter-segment revenue	-	-	71,956	14,159	-	-	-	-	(71,956)	(14,159)	-	-
Total revenue	15,007,950	1,447,903	1,649,221	733,784	-	22,603,809	-	-	(71,956)	(14,159)	16,585,215	24,771,337
Results:												
Finance income	7,289	482,722	13,985	2,432	-	-	1,034,876	270,336	-	-	1,056,150	755,490
Amortisation of intangible assets	(240,921)	(180,689)	-	-	-	-	-	-	-	-	(240,921)	(180,689)
(Allowance)/ Reversal for impairment loss												
- Other receivables	(462)	-	-	-	-	-	-	-	-	-	(462)	-
- Trade receivables	(2,814,776)	-	159,410	(28,362)	-	-	-	-	-	-	(2,655,366)	(28,362)
Bad debt written off												
- Trade receivables	-	-	(113,400)	-	-	-	-	-	-	-	(113,400)	-
- Amount owing from former subsidiary	-	-	-	-	-	-	(38,008,747)	-	-	-	(38,008,747)	-
Depreciation of plant property, plant and equipment	(31,689)	(45,470)	(677,880)	(8,538)	-	-	(16,530)	(4,907)	-	-	(726,099)	(58,915)
Amortisation of right-of-use assets	-	-	(713,359)	(54,510)	-	-	-	-	-	-	(713,359)	(54,510)
Finance costs	(78,944)	-	(353,475)	(11,208)	-	-	-	-	-	-	(432,419)	(11,208)
Taxation	-	(6,747,014)	-	-	-	6,579,040	-	(6,296)	-	-	-	(174,270)
Segment results	(16,334,143)	(57,857,321)	(2,574,884)	(881,983)	-	(45,886,991)	(156,874,878)	4,384,098	100,503,283	(5,222,284)	(75,280,622)	(105,464,481)
Segment assets	26,517,158	10,106,885	26,076,321	10,963,813	-	61,973,698	183,141,970	168,557,494	(60,852,430)	(131,063,108)	174,883,019	120,538,782
Segment liabilities	5,845,830	25,861,419	8,524,610	16,408,425	-	90,351,852	79,157,797	557,485	(81,003,247)	(131,112,122)	12,524,990	2,067,059

31. 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	
	Segment	**30.09.2022 RM**	**31.05.2021 RM**
Customer A	Wholesale of shoes product	–	7,260,601
Customer B	Wholesale of shoes product	–	6,836,992
Customer C	Wholesale of shoes product	–	8,506,216
Customer D	Sale of goods	5,612,322	–

32. 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 Group and the Company are exposed to financial risk arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk, equity price risk and market price risk.

The board of directors and management reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer, Head of Finance and other heads of business units. The audit committee provides an independent oversight to the effectiveness of the risk management process.

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:

32.1 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 minimise credit risk by dealing exclusively with reputable financial institution.

The Group assessed ECL for trade receivables based on two different approaches, namely collective assessment and individual debtor assessment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

32.1 Credit risk (Cont'd)

32.1.1 Collective approach

To measure the expected credit losses under the collective approach, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit loss rates. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

32.1.2 Individual debtor assessment

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL when takes into consideration as follows:

- PD - Probability of default
  The likelihood that the borrower cannot pay during the contractual period
- LGD - Loss given default
  Percentage of contractual cash flows that will not be collected if default happens
- EAD - Exposure at default
  Outstanding amount that is exposed to default risk

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data of each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

(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 13, representing the carrying amount of the trade receivables recognised on the statements of financial position.

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

32.1 Credit risk (Cont'd)

32.1.2 Individual debtor assessment (Cont'd)

(b) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the subsidiary companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 30 September 2022, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

(c) Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The maximum exposure to credit risk is disclosed in Note 14 to the financial statements, representing the carrying amount of the other receivables recognised on the statement of financial position.

(d) Finance lease receivable

The credit risk associated with finance lease receivable is mitigated by way of obtaining security over the leased equipment. At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts recognised in the statements of financial position.

As at the end of the reporting date, the Group consider the finance lease receivable as low credit and any loss allowance would be negligible.

(e) Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to a subsidiary. The Company monitors the results of the subsidiary and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM3,290,000 representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 20. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to a subsidiary's secured borrowing.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

32.1 Credit risk (Cont'd)

32.1.2 Individual debtor assessment (Cont'd)

(f) 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.

32.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

32.2.1 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 asset includes fixed deposits with licensed banks. Interest-bearing liabilities includes fixed loan and lease liabilities.

The fixed loan is at floating rates expose the Group to cash flow interest rate risk whilst finance lease liabilities at fixed rates expose the Group to fair value interest rate risk.

The interest rates per annum on the financial liabilities and fixed loan are disclosed in Note 7 and Note 20.

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

The Group 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.

<u>Sensitivity analysis for interest rate risk</u>

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's loss before taxation would increase/decrease by approximately RM109,525 (31.05.2021: RM 865) as a result of exposure to floating rate borrowing.

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

32.2 Market risk (Cont'd)

32.2.2 Foreign currency risk

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

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 the financial period/year end that are not denominated in Ringgit Malaysia are as follows:

Group

2022	RMB RM	SGD RM	Total RM
Cash and bank balances	7,497	–	7,497
Bank overdraft	–	(233)	(233)
Other payables	(60,874)	(22,413)	(83,287)
	(53,377)	(22,646)	(76,023)

2021	RMB RM	SGD RM	Total RM
Cash and bank balances	46,073,358	587	46,073,945
Trade and other receivables	86,615	–	86,615
Trade and other payables	(1,414,681)	(13,933)	(1,428,614)
	44,745,292	(13,933)	(1,341,999)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

32.2 Market risk (Cont'd)

32.2.2 Foreign currency risk

Company

2022	RMB RM	SGD RM	Total RM
Amount owing from subsidiary companies	20,382,581	13,055	20,395,636
	20,382,581	13,055	20,395,636
2021			
Amount owing from subsidiary companies	88,936,598	69,355	89,005,953
	88,936,598	69,355	89,005,953

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's and the Company's pre-tax loss 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	
	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM	01.06.2021 to 30.09.2022 RM	01.06.2020 to 31.05.2021 RM
RMB -strengthened /RM 10%	(5,338)	4,474,529	2,038,258	8,893,660
-weakened 10%	5,338	(4,474,529)	(2,038,258)	(8,893,660)
SGD -strengthened /RM 10%	(2,265)	(1,393)	1,306	6,936
-weakened 10%	2,265	1,393	(1,306)	(6,936)

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

32.2 Market risk (Cont'd)

32.2.3 Equity price risk

Equity price risk is the risk that the fair value or the future cash flows of the Group and of the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in management fund. These instruments are classified as held for trading financial assets.

As at reporting date, if the quoted prices of the investment securities had been 5% higher/ lower, with all other variables held constant, the Group's profit for the year would have been RM3,877,274 (31.05.2021: RM5,008,208) higher/lower and the Group's profit for the year would have been RM6,241,940 (31.05.2021: RM221,833).

32.3 Liquidity and cash flow risks

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 they will have sufficient liquidity to meet their liabilities when they fall due.

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

32.3 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
30.09.2022						
Trade payables	413,720	–	413,720	413,720	–	–
Other payables	1,158,509	–	1,158,509	1,158,509	–	–
Lease liabilities	8,010,584	4.05 - 6.07	10,197,454	1,206,070	4,529,068	4,462,316
Loan and borrowing	2,941,944	BLR - 2%	3,271,829	732,000	2,539,829	–
Bank overdraft	233	–	233	233	–	–
	12,524,757		15,041,512	3,510,299	7,068,897	4,462,316
31.05.2021						
Trade payables	251,251	–	251,251	251,251	–	–
Other payables	1,729,089	–	1,729,089	1,729,089	–	–
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	–

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

32.3 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
30.09.2022						
Trade payables	229,853	–	229,853	229,853	–	–
Other payables	136,895	–	136,895	136,895	–	–
	366,748		366,748	366,748	–	–
31.05.2021						
Trade payables	229,853	–	229,853	229,853	–	–
Other payables	156,453	–	156,453	156,453	–	–
	386,306		386,306	386,306	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

32.4 Classification of financial instruments

	Group		Company	
Financial assets	**30.09.2022 RM**	**31.05.2021 RM**	**30.09.2022 RM**	**31.05.2021 RM**
At amortised cost				
Trade receivables	3,555,833	255,137	–	–
Other receivables	2,549,718	13,758	–	–
Lease receivable	115,225	–	–	–
Amount owing from subsidiary companies	–	–	20,338,829	130,498,592
Fixed deposits with licensed banks	765,691	32,445	5,784	5,662
Cash and bank balances	44,129,148	77,339,985	37,859,682	10,580,579
	51,115,615	77,641,325	58,204,295	141,084,833
At fair value through profit or loss				
Other investments	84,828,324	41,845,973	65,074,300	26,911,179
	84,828,324	41,845,973	65,074,300	26,911,179
	135,943,939	119,487,298	123,278,595	167,996,012

	Group		Company	
Financial liabilities	**30.09.2022 RM**	**31.05.2021 RM**	**30.09.2022 RM**	**31.05.2021 RM**
At amortised cost				
Trade payables	413,720	251,251	229,853	229,853
Other payables	1,158,509	1,729,089	136,895	156,453
Lease liabilities	8,010,584	86,515	–	–
Loan and borrowing	2,941,944	–	–	–
	12,524,757	2,066,855	366,748	386,306

32.5 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

32.5 Fair value of financial instruments (Cont'd)

Group	Financial instruments that are carried at fair value			
2022	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Financial asset				
Other investments	24,308,003	–	60,520,321	84,828,324
	24,308,003	–	60,520,321	84,828,324
2021				
Financial asset				
Other investments	14,934,794	–	26,911,179	41,845,973
	14,934,794	–	26,911,179	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 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
2022				
Financial asset				
Lease receivable	–	–	115,225	115,225
	–	–	115,225	115,225
Financial liabilities				
Lease liabilities	–	–	8,010,584	8,010,584
Loan and borrowing	–	–	2,941,944	2,941,944
	–	–	10,952,528	10,952,528

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

32.5 Fair value of financial instruments (Cont'd)

Group	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Financial liability				
Lease liabilities	–	–	86,515	86,515
	–	–	86,515	86,515

Company	Financial instruments that are carried at fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial asset				
Other investments	4,553,979	–	60,520,321	65,074,300
	4,553,979	–	60,520,321	65,074,300
2021				
Financial asset				
Other investments	–	–	26,911,179	26,911,179
	–	–	26,911,179	26,911,179

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

32.5 Fair value of financial instruments (Cont'd)

Company	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial asset				
Amount owing from subsidiary companies	–	–	20,338,829	20,338,829
	–	–	20,338,829	20,338,829
2021				
Financial asset				
Amount owing from subsidiary companies	–	–	130,498,592	130,498,592
	–	–	130,498,592	130,498,592

<u>Policy on transfer between levels</u>

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.

<u>Level 1 fair value</u>

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.

There has been no transfer between Level 1 and 2 fair values during the financial period and previous financial year.

<u>Level 2 fair value</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

32.5 Fair value of financial instruments (Cont'd)

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period (31.05.2021: 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 owing from subsidiary companies, lease receivable, lease liabilities and fixed loan

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 with the directors.

33. 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 period ended 30 September 2022.

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 deferred tax liabilities, provision for taxation and cash and cash equivalents. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Total liabilities	12,524,990	2,067,059	366,748	386,306
Less: Provision of taxation	–	(204)	–	–
Less:				
- Fixed deposit with licensed banks	(765,691)	(32,445)	(5,784)	(5,662)
- Cash and bank balances	(44,129,148)	(77,339,985)	(37,859,682)	(10,580,579)
Net cash	(31,609,709)	(75,278,792)	(37,498,718)	(10,199,935)
Equity attributable to owners of the Company	162,660,299	118,763,963	162,546,052	168,160,880
Gearing ratio	– *	– *	– *	– *

* The Company is in a net cash position. Therefore, gearing ratio does not apply.

34. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD

(i) On 12 May 2021, the Company announced its intention to undertake the following proposals:

(a) Share consolidation of every 25 existing ordinary shares in Lambo ("Lambo Shares" or "Shares") into 1 Lambo Share ("Consolidated Share"); and

(b) Renounceable rights issue of up to 1,207,787,815 new Shares together with up to 603,893,907 free detachable warrants in the Company on the basis of 10 Rights Shares together with 5 free Warrants C for every 2 Shares held by the entitled shareholders on an entitlement date to be determined.

On 9 June 2021, Mercury Securities had, on behalf of the Board, announced that the Board had resolved to revise the entitlement basis of the Rights Issue with Warrants to renounceable rights issue of up to 1,207,787,815 Rights Shares together with up to 483,115,126 free detachable Warrants C on the basis of 5 Rights Shares together with 2 free Warrants C for every 1 Share 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 has, vide its letter dated 21 June 2021, approved the following:

(a) Share consolidation of every 25 existing ordinary shares in Lambo ("Lambo Shares" or "Shares") into 1 Lambo Share ("Consolidated Share");

(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 Share Consolidation was completed on 27 July 2021.

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.

(ii) The Company had on 5 October 2021 announced that the Company and its wholly-owned subsidiary, Oriented Media Holdings Limited in Hong Kong, had from 10 September 2021 to 1 October 2021 acquired 70,076,600 ordinary shares of Sinaran Advance Group Berhad (Formerly known as K-Star Sports Limited) ("SINARAN"), representing 9.96% of the issued share capital of SINARAN, at RM0.0930 per share for a total cash consideration of RM6,516,530 from the open market.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD (CONT'D)

(iii) The Company announced the exercise of the following ESOS options in the Company:

- the issuance of 174,500,000 new ordinary shares at an exercise price of RM0.0475 each on 29 November 2021;

- the issuance of 89,755,000 new ordinary shares at an exercise price of RM0.0475 each on 15 December 2021; and

- the issuance of 79,276,000 new ordinary shares at an exercise price of RM0.0450 each on 4 January 2022.

(iv) The Board announced on the granting of the following ESOS options to eligible employees under ESOS:

- On 19 November 2021, the Company offered a total of 299,509,000 ESOS options under the ESOS at an exercise price of RM0.0475 each.

- On 27 December 2021, the Company offered a total of 79,276,000 ESOS options under the ESOS at an exercise price of RM0.0450 each.

(v) On 13 July 2022, China's Finance Ministry has issued a public notice on the investigation result regarding of Fujian Accsoft Technology Development ("Fujian Accsoft"), an indirect wholly owned Subsidiary Company of LAMBO, on Fujian Accsoft's falsified account issue and disciplinary actions taken against Fujian Accsoft's auditor.

On 18 August 2022, the Company has announced its clarification on an article published with the translated title of "China's Finance Ministry Imposes Its First Cross-Border Administrative Penalty to the Auditors of Fujian Accsoft Technology Development, an indirect wholly owned Subsidiary Company of LAMBO."

Subsequently on 9 September 2022, the Company has announced the following update:

(a) The Board of Directors of Lambo had on 25 August 2022 appointed Messrs Cheng + Kheng Hoe to assist the Company in relation to the investigation of Fujian Accsoft pursuant to an article published by China's Finance Ministry on 13 July 2022.

(b) On 29 August 2022, the Company had sent the letters to China's Finance Ministry to obtain further clarification and also the auditor of Fujian Accsoft to obtain explanations and documentations.

(c) On 6 September 2022, the Company had sent a letter to the previous auditors to obtain documentations that they possess for the purpose of the audit for financial year ended 31 May 2018.

(d) The Company is also in the midst of negotiating with law firms in Hong Kong and China to engage them to assist the Company.

34. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD (CONT'D)

(v) (Cont'd)

Subsequently on 30 November 2022, the Company has announced the following update:

(a) The Company had on 30 November 2022 received a legal opinion from Messrs Allbright Law Offices, the China law firm appointed by the Company, stating that based on the search from the National Enterprise Credit Information Publicity System of People's Republic of China, Fujian Accsoft had on 4 March 2022 submitted the deregistration application to the China Authority and the said deregistration process had been completed on 16 May 2022. Fujian Accsoft as of 16 May 2022 is therefore cancelled as to its status as a company.

(b) Due to the current covid restrictions in People's Republic of China, Messrs Allbright Law Offices is not as of the date of this announcement able to travel to Jin Jiang where the deregistration of Fujian Accsoft was filed to retrieve the deregistration documents.

The subsidiary was deregistered (wound up) with the relevant effect to the financial statements being reflected in the current financial period.

(vi) On 22 August 2022, the Company made announcement to Bursa Malaysia Securities Berhad ("Bursa Securities") that the Company is classified as an Affected Listed Corporation under Rule 8.03A of the ACE Market Listing Requirements ("AMLR") of Bursa Securities as the Company has recorded revenue which represents 5% or less than its share capital based on unaudited financial statements for the financial period ended 31 May 2022. The Company is therefore required to undertake a plan to regularise its financial position and to submit its regularisation plan within 12 months from 22 August 2022.

Currently the Company is in the midst of formulating a regularisation plan to be submitted for regulator's approval.

(vii) <u>COVID-19 pandemic</u>

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. The Malaysia Government has imposed the Movement Control Order ("MCO"), followed by Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") in year 2021. Consequently, the COVID-19 outbreak had resulted in travel restrictions, lockdown and other precautionary measures which brought significant economic uncertainties in Malaysia and markets in which the Group operates. Hence, the Group's revenue, earnings, cash flow and financial condition maybe impacted by these economic uncertainties going forward.

Since the beginning of the financial year, the Malaysia government has introduced a four-phase National Recovery Plan ("NRP") to help the country emerge from the Covid-19 pandemic and its economic fallout. As a consequence, the Group is allowed to carry out business operation without restrictions.

Arising from the COVID-19 pandemic, the Group and the Company have implemented several measures to weather through this current challenging time. The following measures had been taken, with further additional efforts to be taken:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD (CONT'D)

(vii) COVID-19 pandemic (Cont'd)

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 period under review. As a measure to preserve cash the subsidiaries in Malaysia have diversified into different types of business.

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 30 September 2023. 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.

35. COMPARATIVE FIGURES

The Group and the Company had on 18 May 2022 announced the changed in its financial year end from 31 May to 30 September. Therefore, the financial period covered in these financial statements is for a period of sixteen (16) months from 1 June 2021 to 30 September 2022. Thereafter, the financial year of the Group and of the Company shall revert to twelve (12) months ending 30 September, for each subsequent year. The comparatives are for the financial year from 1 June 2020 to 31 May 2021.

LIST OF PROPERTIES

Title/Location	Description/ Existing Use	Area	Tenure	Approximate Age of Property (years)	Fair Value as at 30.09.2022 (RM)	Year of Acquisition (A) and date of Valuation (V)
Registered Owner: Lamboplace Sdn Bhd No. 14, Jalan 24/70A, Desa Sri Hartamas, 50480 Kuala Lumpur.	Commercial (Shoplot)	Approximately 164 sq meter	Freehold	Not applicable	5,750,000.00	2021 (A) 25.11.2022 (V)
Registered Owner: Lamboplace Sdn Bhd A2-G2-06, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur.	Commercial	Approximately 152 sq meter	Freehold	2009 (14 years)	4,700,000.00	2021 (A) 25.11.2022 (V)

ANALYSIS OF SHAREHOLDINGS
AS AT 30 DECEMBER 2022

SHARE CAPITAL

Total Number of Issued Shares : 1,540,499,046
Class of Shares : Ordinary Shares
Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Holders	% of Holders	No. of Holdings	% of Holdings
Less than 100	1,406	11.73	37,734	0.00
100 - 1,000	1,983	16.54	1,046,775	0.07
1,001 - 10,000	4,912	40.97	20,924,717	1.36
10,001 - 100,000	3,033	25.30	101,685,554	6.60
100,001 to less than 5% of issued shares	646	5.39	406,044,666	26.36
5% and above of issued shares	8	0.07	1,010,759,600	65.61
Total	**11,988**	**100.00**	**1,540,499,046**	**100.00**

SUBSTANTIAL SHAREHOLDINGS

Name	Direct Interest	%	Indirect Interest	%
Cheetah Marketing Sdn. Bhd.	326,597,400	21.20	–	–
Cheetah Holdings Berhad	–	–	326,597,400	21.20[(1)]
Koo Kien Yoon	108,525,160	7.05	–	–
Morgan Stanley	95,112,700	6.17	–	–
Mitsubishi UFJ Financial Group, INC	–	–	95,112,700	6.17[(2)]

Note:

[(1)] *Deemed interested by virtue of its interest in Cheetah Marketing Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016*

[(2)] *Deemed interested by virtue of its interest in Morgan Stanley pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS (CONT'D)

DIRECTORS' SHAREHOLDINGS

Name	No. of Shares			
	Direct Interest	%	Indirect Interest	%
Hj. Abdullah Bin Abdul Rahman	–	–	–	–
Koo Kien Yoon	108,525,160	7.05	–	–
Zhuang GuoHua	–	–	–	–
Khor Chin Fei	–	–	–	–
Ng Chee Kin	–	–	–	–

LIST OF TOP 30 HOLDERS AS AT 30 DECEMBER 2022

No.	Name	Holdings	%
1.	Cheetah Marketing Sdn. Bhd.	326,597,400	21.20
2.	Cartaban Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)*	130,619,800	8.48
3.	M & A Nominee (Tempatan) Sdn. Bhd. *SANSTON FINANCIAL GROUP LIMITED FOR KOO KIEN YOON*	104,500,000	6.78
4.	HSBC Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR BNP PARIBAS (LONPBCLR-3PTY)*	102,654,700	6.66
5.	HSBC Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)*	95,112,700	6.17
6.	Cartaban Nominees (Asing) Sdn. Bhd. *BARCLAYS BANK PLC (RE EQUITIES)*	92,567,900	6.01
7.	CGS-CIMB Nominees (Asing) Sdn Bhd *EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)*	79,431,100	5.16
8.	M & A Nominee (Tempatan) Sdn. Bhd. *EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)*	79,276,000	5.15
9.	HSBC Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (GCHK-LAZARUS)*	58,407,900	3.79
10.	Affin Hwang Nominees (Asing) Sdn. Bhd. *DBS VICKERS SECS (S) PTE LTD FOR KGI SECURITIES (SINGAPORE) PTE. LTD.*	25,500,000	1.66

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF TOP 30 HOLDERS AS AT 30 DECEMBER 2022 (CONT'D)

No.	Name	Holdings	%
11.	Amsec Nominees (Tempatan) Sdn. Bhd. *EXEMPT AN FOR KGI SECURITIES (SINGAPORE) PTE. LTD.*	14,300,000	0.93
12.	Lew Yok Kee	12,000,000	0.78
13.	Ibrahim Hussain	10,000,000	0.65
14.	Public Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR YEU ING DEE (E-KKU/BFT)*	7,383,700	0.48
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. *RAKUTEN TRADE SDN BHD FOR WILLIAM NG WEI LEN*	6,259,800	0.41
16.	Public Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR LING SU YOU (E-KKU)*	5,673,300	0.37
17.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR HEE YUEN SANG*	5,450,000	0.35
18.	CGS-CIMB Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)*	5,193,102	0.34
19.	Dato' Sri Wong Ing Soon	5,127,000	0.33
20.	Tang Mee Cheng	4,850,038	0.31
21.	Quek Yong Wah	4,192,400	0.27
22.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	4,100,000	0.27
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR KOO KIEN YOON*	4,009,600	0.26
24.	Ong Ngoh Ing @ Ong Chong Oon	3,500,000	0.23
25.	Md Nor Bin Mansor	3,461,000	0.22
26.	Mercsec Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR ANDREW TAN JUN SUAN*	3,000,000	0.19
27.	Chok Pui Woon	2,910,000	0.19
28.	Karen Liew Yen Mei	2,900,000	0.19
29.	Tong Chu Kiong	2,838,100	0.19
30.	Maybank Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR SIREH EMAS MARKETING SDN. BHD.*	2,798,700	0.18
	TOTAL	**1,204,614,240**	**78.20**

ANALYSIS OF WARRANT HOLDINGS - WARRANT B
AS AT 30 DECEMBER 2022

Number of Warrant B Issued	:	94,595,020
Number of Warrant B Unexercised	:	94,595,020
Exercise Price	:	RM1.67
Exercise Period of Warrants	:	30 April 2019 to 29 April 2024
Number of Warrant Holders	:	2,662

DISTRIBUTION OF WARRANT B HOLDINGS

Size of Warrant Holdings	No. of Holders	% of Holders	No. of Warrant Held	% of Warrant Held
Less than 100	770	28.92	12,257	0.01
100 - 1,000	301	11.31	145,706	0.16
1,001 - 10,000	709	26.63	3,560,527	3.76
10,001 - 100,000	712	26.75	26,339,510	27.85
100,001 to less than 5% of issued shares	170	6.39	64,537,020	68.22
5% and above of issued shares	0	0	0	0
Total	**2,662**	**100.00**	**94,595,020**	**100.00**

DIRECTORS' WARRANT B HOLDINGS

Name	No. of Warrant			
	Direct Interest	%	Indirect Interest	%
Hj. Abdullah Bin Abdul Rahman	–	–	–	–
Koo Kien Yoon	–	–	–	–
Zhuang GuoHua	–	–	–	–
Khor Chin Fei	–	–	–	–
Ng Chee Kin	–	–	–	–

LIST OF TOP 30 WARRANT B HOLDERS AS AT 30 DECEMBER 2022

No.	Name	Holdings	%
1.	Chung Kin Chuan	3,970,000	4.20
2.	Muhd Abd Muiz Al-Amin Bin Muhammad Firdaus	3,085,400	3.26
3.	Seow Chee Leang	2,295,000	2.43
4	Teh Goay Lin	2,199,200	2.32
5.	Chan Chaw Siong	2,000,000	2.11

ANALYSIS OF WARRANT HOLDINGS - WARRANT B (CONT'D)

LIST OF TOP 30 WARRANT B HOLDERS AS AT 30 DECEMBER 2022 (CONT'D)

No.	Name	Holdings	%
6.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR THAM TOO KAM*	1,817,100	1.92
7.	Lee Kok Seong	1,700,200	1.80
8.	Lye Ming Lih	1,570,000	1.66
9.	Ng Teck Chai	1,235,900	1.31
10.	Lim Ming Yau	1,012,000	1.07
11.	Chen Kwai Sam	1,000,000	1.06
12.	Tay Yong Chuen	1,000,000	1.06
13.	Heng Ding Ding	990,000	1.05
14.	Tan Tuah Meng	895,100	0.95
15.	Toh Su-N	855,000	0.90
16.	Ang Soo Boon	776,300	0.82
17.	Tai Nyuk Kiong	750,000	0.79
18.	Koh Mee Seng	736,000	0.78
19.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR TAN HUI LEE*	735,000	0.78
20.	Chen Kooi Yin	700,000	0.74
21.	Cheah Chai Lian	675,000	0.71
22.	Ng Poh Lim	675,000	0.71
23.	Fow Chen Yin	612,000	0.65
24.	Sze Kooi Hoe	600,000	0.63
25.	Foong Chee Heng	556,000	0.59
26.	Public Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR WONG HONG KIAN*	549,000	0.58
27.	Leong Kum Leng	521,100	0.55
28.	Tang Chu Sang	494,604	0.52
29.	Chandran A/L Ramoo	464,940	0.49
30.	Chiam Eng Poh	451,600	0.48
	TOTAL	**34,921,444**	**36.92**

ANALYSIS OF WARRANT HOLDINGS - WARRANT C
AS AT 30 DECEMBER 2022

Number of Warrant C Issued	:	398,981,138
Number of Warrant C Unexercised	:	398,981,138
Exercise Price	:	RM0.10
Exercise Period of Warrants	:	7 September 2021 to 6 September 2024
Number of Warrant Holders	:	1,529

DISTRIBUTION OF WARRANT C HOLDINGS

Size of Warrant Holdings	No. of Holders	% of Holders	No. of Warrant Held	% of Warrant Held
Less than 100	38	2.49	1,798	0.00
100 - 1,000	91	5.95	48,004	0.01
1,001 - 10,000	598	39.11	3,189,632	0.80
10,001 - 100,000	661	43.23	21,943,340	5.50
100,001 to less than 5% of issued shares	136	8.89	156,419,964	39.20
5% and above of issued shares	5	0.33	217,378,400	54.49
Total	**1,529**	**100.00**	**398,981,138**	**100.00**

DIRECTORS' WARRANT C HOLDINGS

Name	No. of Warrant			
	Direct Interest	%	Indirect Interest	%
Hj. Abdullah Bin Abdul Rahman	–	–	–	–
Koo Kien Yoon	1,603,200	0.40	–	–
Zhuang GuoHua	–	–	–	–
Khor Chin Fei	–	–	–	–
Ng Chee Kin	–	–	–	–

LIST OF TOP 30 WARRANT C HOLDERS AS AT 30 DECEMBER 2022

No.	Name	Holdings	%
1.	Cheetah Marketing Sdn. Bhd.	95,800,000	24.01
2.	Cartaban Nominees (Asing) Sdn. Bhd. *BARCLAYS BANK PLC (RE EQUITIES)*	54,918,400	13.77
3.	M & A Nominee (Tempatan) Sdn. Bhd. *EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)*	23,620,000	5.92
4	Cartaban Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)*	23,020,000	5.77
5.	Affin Hwang Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)*	20,020,000	5.02

ANALYSIS OF WARRANT HOLDINGS - WARRANT C (CONT'D)

LIST OF TOP 30 WARRANT C HOLDERS AS AT 30 DECEMBER 2022 (CONT'D)

No.	Name	Holdings	%
6.	Chia Teck Beng	14,181,200	3.56
7.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR HEE YUEN SANG*	13,918,000	3.49
8.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR PANG KIA FATT*	8,802,000	2.21
9.	Quek Jia Yi	8,019,000	2.01
10.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR LAI YEE LING*	8,002,000	2.01
11.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR LAI YEE VOON*	7,202,000	1.81
12.	Liau Chian Chor	6,600,000	1.65
13.	CGS-CIMB Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)*	6,462,200	1.62
14.	Ong Seok Hoon	6,000,000	1.50
15.	Ding Sow Chan	5,010,000	1.26
16.	Lew Yok Kee	4,800,000	1.20
17.	Lok Keng Chong	4,653,100	1.17
18.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR WEE KOK CHUAN*	4,162,000	1.04
19.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR PIONG YON WEE*	4,002,000	1.00
20.	Tan Li Li	4,002,000	1.00
21.	Tai Yok Yen	3,807,200	0.95
22.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR QUEK YONG WAH*	3,602,000	0.90
23.	Apex Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR NG JOO BAY (MARGIN)*	2,702,000	0.68
24.	Ong Kian Huat	1,842,004	0.46
25.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	1,640,000	0.41
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. *PLEDGED SECURITIES ACCOUNT FOR KOO KIEN YOON*	1,603,200	0.40
27.	Tan Shing Hua	1,500,000	0.38
28.	Tai Yng Seng	1,202,000	0.30
29.	Hee Yuen Sang	1,170,000	0.29
30.	Yong Chee Foong	1,050,000	0.26
	TOTAL	**343,312,304**	**86.05**

TWENTY-FIRST (21ST) NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First (21st) Annual General Meeting of Lambo Group Berhad ("LAMBO" or "the Company") will be held on a virtual basis and entirely via remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor via online meeting platform at https://rebrand.ly/LamboAGM on Thursday, 16 March 2023 at 10.00 a.m., or any adjournment thereof, for the purpose of transacting the following businesses:

AGENDA

1.	To receive the Audited Financial Statements for the financial period ended 30 September 2022 together with the Directors' and Auditors' Reports thereon.	**Please refer to Explanatory Note 1**
2.	To re-elect the following directors who retires pursuant to Clause 90 of the Company's Constitution:	
	(a) Hj. Abdullah Bin Abdul Rahman	**Ordinary Resolution 1**
	(b) Ng Chee Kin	**Ordinary Resolution 2**
3.	To re-appoint Messrs CAS Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 3**

SPECIAL BUSINESSES :
To consider and, if thought fit, to pass the following Resolution:

4.	**Proposed Retention of Independent Non-Executive Director**	**Ordinary Resolution 4**
	"THAT Ng Chee Kin who has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine (9) years be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."	
5.	To transact any other business of the Company for which due notice shall have been given.	

By order of the Board,

CHONG VOON WAH (SSM PC No. 202008001343) (MAICSA 7055003)
THAI KIAN YAU (SSM PC No. 202008001515) (MIA 36921)
Company Secretaries

Kuala Lumpur
31 January 2023

TWENTY-FIRST (21ST) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:-

1. *The Company has changed its financial year end from 31 May to 30 September and an announcement has been made to Bursa Malaysia Securities Berhad on 18 May 2022 on the change of financial year end. Section 340 (1) of the Companies Act, 2016 states that an Annual General Meeting ("AGM") must be held once in every calendar year. The Companies Commission of Malaysia had granted its approval for an extension of time until 31 March 2023 for the Company to hold its AGM in respect of the calendar year 2022. The Company did not hold any AGM in the calendar year 2022. Hence, the forthcoming Twenty-First (21st) AGM will be held to table the 16-months Audited Financial Statements made up from 1 June 2021 to 30 September 2022 as well as other ordinary businesses, and this AGM shall be deemed to be held for the calendar year 2022.*

2. *Only depositors whose names appear in the Record of Depositors as at 9 March 2023 shall be regarded as members and be entitled to attend, participate, speak and vote at the 21st AGM.*

3. *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.*

4. *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.*

5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*

6. *Any alterations in the Proxy Form must be initialed by the member.*

7. *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.*

8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Share Registrar Office of the Company 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 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 21st AGM to vote by poll.*

9. *The 21st AGM will be conducted virtually at the broadcast venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

TWENTY-FIRST (21ST) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES

1. Audited Financial Statements for the Financial Period Ended 30 September 2022

The Agenda No. 1 is meant for discussion only as Section 340(1) (a) of the Companies Act, 2016 provide that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolutions 1 and 2 : Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to the following clauses of the Company's Constitution at the 21st Annual General Meeting of the Company and are being eligible have offered themselves for re-election in accordance with the Company's Constitution:

(a) Hj. Abdullah Bin Abdul Rahman (Clause 90); and
(b) Ng Chee Kin (Clause 90).

(collectively referred to as "Retiring Directors")

The Board of Directors through the Nominating Committee ("NC") has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the Retiring Directors who had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Committees meetings) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

Further, the NC has considered and affirmed, and the Board has endorsed that both Hj. Abdullah Bin Abdul Rahman and Ng Chee Kin, who are seeking re-election at the forthcoming 21st Annual General Meeting of the Company comply with the independence criteria as prescribed in the Listing Requirements of Bursa Malaysia Securities Berhad and remained independent in exercising their judgment and in carrying out their duties as Independent Non-Executive Directors.

3. Ordinary Resolution 3 : Re-appointment of Auditors

The Board, through the Audit and Risk Management Committee, had conducted an assessment on the suitability, objectivity and independence of Messrs CAS Malaysia PLT in respect of the financial period ended 30 September 2022. The Board was satisfied with the performance of Messrs CAS Malaysia PLT and recommended the re-appointment of Messrs CAS Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company in accordance with Section 271 of the Companies Act, 2016.

TWENTY-FIRST (21ST) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

4. Ordinary Resolution 4 : Proposed Retention of Independent Non-Executive Director

The proposed Ordinary Resolution 4, if passed, will allow Ng Chee Kin to be retained and continue to act as Independent Non-Executive Director of the Company.

The Board through the NC has determined that Ng Chee Kin's vast and diverse range of experiences had brought the right mix of skills to the Board. As Director, he continues to bring independent and objective judgements to Board deliberations and decision-making process as a whole. The Board therefore, endorsed the NC's recommendation for him to be retained as Independent Director.

The NC and the Board also has undertaken relevant assessments and recommended the above director to continue as Independent Director based on the following justifications:

(a) He fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements;

(b) He had vast and diverse range of experiences and therefore would be able to provide constructive and independent opinion, judgment and to act in the best interest of the Company and shareholders;

(c) He had continued to demonstrate independence, integrity and due care during Board meetings; and

(d) He had not entered into any related party transactions with the Group.

As recommended by the Malaysian Code of Corporate Governance, the Board also has recommended Ng Chee Kin, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Director of the Company subject to the shareholders' approval through a two-tier voting process at the 21st Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(Pursuant to Rule 8.29 (2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at the 21st Annual General Meeting.

ADMINISTRATIVE GUIDE

Date	Time	Broadcast Venue
Thursday, 16 March 2023	10.00 a.m.	Lot 4.1, 4th Floor, Menara Lien Hoe No. 8 Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya, Selangor

Virtual Meeting

1. The Twenty-First (21st) Annual General Meeting ("**AGM**") will be conducted on a virtual basis and entirely via remote participation and voting facilities ("**RPV Facilities**") from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

2. Shareholders are strongly encouraged to take advantage of the RPV Facilities to participate and vote remotely at the AGM. With the RPV Facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors ("**Board**") and/or management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the AGM. Details of the RPV Facilities are set out below.

Registration

3. The AGM will be held virtually. The registration is mandatory for the event. Please click the following link to register: https://rebrand.ly/LamboAGM.

4. All the Shareholders are required to register in order to participate to the AGM. The registration will be open from 10.00 a.m. on Tuesday, 31 January 2023 and close at 10.00 a.m. on Wednesday, 15 March 2023.

   Upon submission of your registration, you will receive an email to notify you that your registration has been received and is pending verification.

5. After verification of your registration against the General Meeting Record of Depositors of the Company, the system will send you an email to notify you if your registration is approved or rejected after Thursday, 9 March 2023.

6. Should your registration be rejected, you can contact the Company's Share Registrar or the Company for clarifications.

7. The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Please follow the tutorial guide posted on https://rebrand.ly/LamboAGM.

General Meeting Records of Depositors

8. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors of the Company as at Thursday, 9 March 2023 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

ADMINISTRATIVE GUIDE (CONT'D)

Individual Members

9. Individual members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the AGM. Please refer to the details as set out under RPV Facilities for information.

10. If an individual member is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Corporate Members

11. Corporate members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the AGM using the RPV Facilities. Corporate members who wish to participate and vote remotely at the AGM must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than Wednesday, 15 March 2023 at 10.00 a.m.:

    (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.

12. If a Corporate member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the AGM, it 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.

Nominee Company Members

13. The beneficiaries of the shares under a Nominee Company's CDS account ("**Nominee Company member(s)**") are also strongly advised to participate and vote remotely at the AGM using RPV Facilities. Nominee Company members who wish to participate and vote remotely at the AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the AGM. Nominee Company must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than Wednesday, 15 March 2023 at 10.00 a.m.:

    (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.

14. If a Nominee Company member is unable to attend the 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.

Proxy

15. If a member is unable to attend the AGM, he/she may appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

16. If an individual member has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the individual member must contact the Company's Share Registrar or the Company, whose contact details are set out in No. 20 below, to revoke the appointment of his/her proxy no later than Wednesday, 15 March 2023 at 10.00 a.m.

ADMINISTRATIVE GUIDE (CONT'D)

Poll Voting

17. The voting at the AGM will be conducted by way of poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn. Bhd.as the Poll Administrator to conduct the poll by way of electronic voting and SharePolls Sdn Bhd as the Scrutineers to verify the poll results. Upon completion of the voting session for the respective AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

RPV Facilities

18. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM:

Procedures		**Action**
Before AGM		
1.	Register as participant in Virtual AGM	• Using your computer, access the website at https://rebrand.ly/LamboAGM. Click on the **Register** button to register for the AGM session. • If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click Register and enter your email followed by Next to fill in your details to register for the AGM session. • 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	• All the Shareholders are required to register prior to the meeting. The registration will be open from 10.00 a.m. on Tuesday, 31 January 2023 and the registration will close at 10.00 a.m. on Wednesday, 15 March 2023. • Clicking on the link will redirect you to the AGM event page. Click on the **Register** button for the online registration form. • Complete your particulars in the registration page. Your name **MUST** match your CDS account name (not applicable for proxy). • Insert your CDS account number and indicate the number of shares you hold. • 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 your registration being rejected. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at Thursday, 9 March 2023, the system will send you an email to notify you if your registration is approved or rejected after Thursday, 9 March 2023. • If your registration is rejected, you can contact the Company's Share Registrar or the Company for clarifications or to appeal.

ADMINISTRATIVE GUIDE (CONT'D)

RPV Facilities (Cont'd)

18. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM: (Cont'd)

Procedures		Action
On the day of AGM		
3.	Attending Virtual 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 session. • Click **Join Event** in the reminder email to participate the RPV.
4.	Participate with live video	• 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. • Take 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 respective 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 stipulated time frame. • Click on the **Submit** button when you have completed. • 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.

No Recording or Photography

19. Strictly **NO recording or photography** of the proceedings of the AGM is allowed.

Enquiry

20. If you have any enquiry prior to the meeting, please contact the following officers during office hours from 9.00 a.m. to 5.30 p.m. (Monday to Friday):

For Registration, logging in and system related:

Lambo Group Berhad
Name: Ms Eris / Ms Jey
Telephone No: +603-7688 1013
Email: vgm@mlabs.com

For Proxy and other matters:

ShareWorks Sdn. Bhd.
Name: Mr Kou / Ms Stacy Goh
Telephone No: 03-6201 1120
Email: ir@shareworks.com.my

LAMBO GROUP BERHAD
Company Registration No.: 200001014881 (517487-A)
(Incorporated in Malaysia)

FORM OF PROXY

CDS ACCOUNT NO.
NO. OF SHARES HELD

I/We, ...
[Full name in block and NRIC No. / Registration No.]

Tel. No.: .... of ....

[Address] ....
being a member/members of Lambo Group Berhad, hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address: Contact No: Email Address:			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address: Contact No: Email Address:			

or failing him, the Chairman of the meeting as my/our proxy to attend and to vote for me/us on my/our behalf at the Twenty-First (21st) Annual General Meeting of the Company will be held on a virtual basis and entirely via remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor via online meeting platform at https://rebrand.ly/LamboAGM on Thursday, 16 March 2023 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

No.	Agenda	Resolutions	For	Against
1.	To re-elect Hj. Abdullah Bin Abdul Rahman as Director.	**Ordinary Resolution 1**		
2.	To re-elect Ng Chee Kin as Director.	**Ordinary Resolution 2**		
3.	To re-appoint Messrs CAS Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 3**		
4.	To retain Ng Chee Kin as Independent Non-Executive Director.	**Ordinary Resolution 4**		

(Please indicate with a "X" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion)

Signed this...

....
Signature*
Member
(* if shareholder is a corporation, this form should be executed under seal)

Notes:-

1. ***The Company has changed its financial year end from 31 May to 30 September and an announcement has been made to Bursa Malaysia Securities Berhad on 18 May 2022 on the change of financial year end. Section 340 (1) of the Companies Act, 2016 states that an Annual General Meeting ("AGM") must be held once in every calendar year. The Companies Commission of Malaysia had granted its approval for an extension of time until 31 March 2023 for the Company to hold its AGM in respect of the calendar year 2022. The Company did not hold any AGM in the calendar year 2022. Hence, the forthcoming Twenty-First (21st) AGM will be held to table the 16-months Audited Financial Statements made up from 1 June 2021 to 30 September 2022 as well as other ordinary businesses, and this AGM shall be deemed to be held for the calendar year 2022.***

2. *Only depositors whose names appear in the Record of Depositors as at 9 March 2023 shall be regarded as members and be entitled to attend, participate, speak and vote at the 21st AGM.*

3. *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.*

4. *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.*

1st Fold Here

AFFIX
STAMP

THE SHARE REGISTRAR OF
LAMBO GROUP BERHAD
COMPANY REGISTRATION NO. 200001014881 (517487-A)

SHAREWORKS SDN. BHD.
NO. 2-1, JALAN SRI HARTAMAS 8,
SRI HARTAMAS,
50480 KUALA LUMPUR,
MALAYSIA.

2nd Fold Here

5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*

6. *Any alterations in the Proxy Form must be initialed by the member.*

7. *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.*

8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Share Registrar Office of the Company 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 or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of 21st AGM to vote by poll.*

9. *The 21st AGM will be conducted virtually at the broadcast venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

Fold This Flap For Sealing

TWENTY-SECOND (22ND) NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second (22nd) Annual General Meeting of Lambo Group Berhad ("LAMBO" or "the Company") will be held on a virtual basis and entirely via remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor via online meeting platform at https://rebrand.ly/LamboAGM1 on Thursday, 16 March 2023 at 11.30 a.m., or immediately following the conclusion or adjournment (as the case may be) of the Twenty-First (21st) Annual General Meeting which will be held at 10.00 a.m. on the same day and at the same venue, for the purpose of transacting the following businesses:

AGENDA

1. To approve the payment of directors' fees and other benefits payable of up to RM500,000 to the directors for the period commencing from 1 October 2022 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 1**

2. To re-elect the following directors who retires pursuant to Clause 90 of the Company's Constitution :

   (a) Koo Kien Yoon **Ordinary Resolution 2**
   (b) Zhuang GuoHua **Ordinary Resolution 3**

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

SPECIAL BUSINESSES :
To consider and, if thought fit, to pass the following Resolution:

4. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016** **Ordinary Resolution 5**

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("the Act") and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

   AND THAT notwithstanding the provisions provided in the Company's Constitution and Section 85 of the Act, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empowered the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing members to maintain their relative voting and distribution right and such new shares shall rank pari passu in all respects with the existing class of ordinary shares."

5. **Proposed Retention of Independent Non-Executive Director** **Ordinary Resolution 6**

   "THAT Ng Chee Kin who has served the Board as an Independent Non-Executive Director for a cumulative term of more than nine (9) years be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."

TWENTY-SECOND (22ND) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **Ordinary Resolution 7**

"THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.4 of the Circular to Shareholders dated 31 January 2023 for the purposes of Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), subject to the following:

(i) the transactions are necessary for the day to day operations of the Company's subsidiary in the ordinary course of business, at arm's length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;

(ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340 (2) of the Companies Act, 2016 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of CA); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

(iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder's mandate is in force, where:

(a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or

(b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,

whichever is the higher;

TWENTY-SECOND (22ND) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

and amongst other, based on the following information:

(a) the type of the Recurrent Related Party Transactions made; and

(b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with LAMBO Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

CHONG VOON WAH (SSM PC No. 202008001343) (MAICSA 7055003)
THAI KIAN YAU (SSM PC No. 202008001515) (MIA 36921)
Company Secretaries

Kuala Lumpur
31 January 2023

TWENTY-SECOND (22ND) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:-

1. ***Section 340 (1) of the Companies Act, 2016 states that an Annual General Meeting ("AGM") must be held once in every calendar year. Therefore, the forthcoming Twenty-Second (22nd) AGM of the Company will be held in respect of the calendar year 2023. There will be no Audited Financial Statements tabled at this AGM. The 16-months Audited Financial Statements for the financial period ended 30 September 2022 will be tabled at the Twenty-First (21st) AGM which will be held on the same day, 16 March 2023 at 10.00 a.m.***

2. *Only depositors whose names appear in the Record of Depositors as at 9 March 2023 shall be regarded as members and be entitled to attend, participate, speak and vote at the 22nd AGM.*

3. *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.*

4. *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.*

5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*

6. *Any alterations in the Proxy Form must be initialed by the member.*

7. *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.*

8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Share Registrar Office of the Company 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 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 22nd AGM to vote by poll.*

9. *The 22nd AGM will be conducted virtually at the broadcast venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

TWENTY-SECOND (22ND) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES

1. Ordinary Resolution 1 : To approve the payment of Directors' fees and others benefits payable

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Twenty-Second (22nd) Annual General Meeting.

The Directors' fees and other benefits payable are calculated based on the number of scheduled Board and Committee Meetings to held for the period commencing from 1 June 2022 until the conclusion of the next Annual General Meeting of the Company and assuming that all 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 is insufficient (e.g. due to more meetings), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

2. Ordinary Resolution 2 : Re-election of Mr Koo Kien Yoon as Director

Mr Koo Kien Yoon ("**Mr Koo**"), who standing for re-election as Director of the Company pursuant to the Clause 90 of the Company's Constitution at the 22nd Annual General Meeting of the Company and is being eligible has offered himself for re-election in accordance with the Company's Constitution.

The Board of Directors through the Nominating Committee ("**NC**") has deliberated on the suitability of the Mr Koo to be re-elected as Director. Upon deliberation, the Board (except for Mr Koo who had abstained from deliberations and decisions on his own eligibility to stand for re-election at the Board meeting) collectively agreed that Mr Koo meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge his role as Director of the Company and recommended Mr Koo be re-elected as the Director of the Company.

3. Ordinary Resolution 3 : Re-election of Mr Zhuang GuoHua as Director

Mr Zhuang GuoHua ("**Mr Zhuang**") will be standing for re-election as Director of the Company pursuant to Clause 90 of the Company's Constitution at the 22nd Annual General Meeting of the Company. However, the Company does not receive any notification from Mr Zhuang on his willingness to offer himself for re-election as Director in accordance with the Company's Constitution.

During the financial period ended 30 September 2022, the Board and NC noted that Mr Zhuang has attended less than 50% of the total Board Meetings held during the year and was informed by the Management that he was currently uncontactable by the Company.

The Board of Directors through the NC has deliberated on the suitability of Mr Zhuang to be re-elected as Directors. Upon deliberation, the Board collectively agreed that Mr Zhuang does not meet the criteria of integrity, competence and time commitment to effectively discharge his role as Director of the Company and therefore the Board **Not Recommend** Mr Zhuang be re-elected as the Director of the Company. Accordingly, the Board recommended the Shareholders to vote against the Ordinary Resolution 3 in relation the re-election of Mr Zhuang GuoHua as Director of the Company at the forthcoming 22nd Annual General Meeting.

4. Ordinary Resolution 4 : Re-appointment of Auditors

The Board, through the Audit and Risk Management Committee, had conducted an assessment on the suitability, objectivity and independence of Messrs CAS Malaysia PLT in respect of the financial period ended 30 September 2022. The Board was satisfied with the performance of Messrs CAS Malaysia PLT and recommended the re-appointment of Messrs CAS Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company in accordance with Section 271 of the Companies Act, 2016.

TWENTY-SECOND (22ND) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

5. **Ordinary Resolution 5 : Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

   The proposed Ordinary Resolution 5, if passed, is a renewal of general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company ("**General Mandate**"). This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

   The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

   Pursuant to Section 85 of the Companies Act, 2016 read together with the provisions provided in the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

   The proposed Ordinary Resolution 5, if passed, would allow the Directors to issue new shares to any person under the said mandate without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the Twentieth (20th) Annual General Meeting held on 28 October 2021 and which will lapse at the conclusion of the Twenty-First (21st) Annual General Meeting.

6. **Ordinary Resolution 6 : Proposed Retention of Independent Non-Executive Director**

   The proposed Ordinary Resolution 6, if passed, will allow Mr Ng Chee Kin to be retained and continue to act as Independent Non-Executive Director of the Company.

   The Board through the NC has determined that Mr Ng Chee Kin's vast and diverse range of experiences had brought the right mix of skills to the Board. As Director, he continues to bring independent and objective judgements to Board deliberations and decision-making process as a whole. The Board therefore, endorsed the NC's recommendation for him to be retained as Independent Director.

   The NC and the Board also has undertaken relevant assessments and recommended the above director to continue as Independent Director based on the following justifications:

   (a) He fulfilled the criteria under the definition of Independent Director as stated in the Listing Requirements;

   (b) He had vast and diverse range of experiences and therefore would be able to provide constructive and independent opinion, judgment and to act in the best interest of the Company and shareholders;

   (c) He had continued to demonstrate independence, integrity and due care during Board meetings; and

   (d) He had not entered into any related party transactions with the Group.

   As recommended by the Malaysian Code of Corporate Governance, the Board also has recommended Mr Ng Chee Kin, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Director of the Company subject to the shareholders' approval through a two-tier voting process at the 22nd Annual General Meeting of the Company.

TWENTY-SECOND (22ND) NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. **Ordinary Resolution 7 : Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company. For more information, please refer to the Company's Circular to Shareholders dated 31 January 2023.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at the Twenty-Second (22nd) Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Rule 6.04 (3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 5 as stated in the Notice of Twenty-Second (22nd) Annual General Meeting of the Company for the details.

ADMINISTRATIVE GUIDE

Date	Time	Broadcast Venue
Thursday, 16 March 2023	11.30 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Twenty-First (21st) Annual General Meeting	Lot 4.1, 4th Floor, Menara Lien Hoe No. 8 Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya, Selangor

Virtual Meeting

1. The virtual Twenty-Second (22nd) Annual General Meeting ("**AGM**") will be conducted on a virtual basis and entirely via remote participation and voting facilities ("**RPV Facilities**") from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

2. Shareholders are **strongly encouraged** to take advantage of the RPV Facilities to participate and vote remotely at the AGM. With the RPV Facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors ("**Board**") and/or management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the AGM. Details of the RPV Facilities are set out below.

Registration

3. The AGM will be held virtually. The registration is mandatory for the event. Please click the following link to register: https://rebrand.ly/LamboAGM1.

4. All the Shareholders are required to register in order to participate to the AGM. The registration will be open from 11.30 a.m. on Tuesday, 31 January 2023 and close at 11.30 a.m. on Wednesday, 15 March 2023.

   Upon submission of your registration, you will receive an email to notify you that your registration has been received and is pending verification.

5. After verification of your registration against the General Meeting Record of Depositors of the Company, the system will send you an email to notify you if your registration is approved or rejected after Thursday, 9 March 2023.

6. Should your registration be rejected, you can contact the Company's Share Registrar or the Company for clarifications.

7. The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Please follow the tutorial guide posted on https://rebrand.ly/LamboAGM1.

General Meeting Records of Depositors

8. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors of the Company as at Thursday, 9 March 2023 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Individual Members

9. Individual members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the AGM. Please refer to the details as set out under RPV Facilities for information.

10. If an individual member is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

ADMINISTRATIVE GUIDE (CONT'D)

Corporate Members

11. Corporate members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the AGM using the RPV Facilities. Corporate members who wish to participate and vote remotely at the AGM must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than Wednesday, 15 March 2023 at 11.30 a.m.:

    (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.

12. If a Corporate member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the AGM, it 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.

Nominee Company Members

13. The beneficiaries of the shares under a Nominee Company's CDS account ("**Nominee Company member(s)**") are also strongly advised to participate and vote remotely at the AGM using RPV Facilities. Nominee Company members who wish to participate and vote remotely at the AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the AGM. Nominee Company must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than Wednesday, 15 March 2023 at 11.30 a.m.:

    (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.

14. If a Nominee Company member is unable to attend the 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.

Proxy

15. If a member is unable to attend the AGM, he/she may appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

16. If an individual member has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the individual member must contact the Company's Share Registrar or the Company, whose contact details are set out in No. 20 below, to revoke the appointment of his/her proxy no later than Wednesday, 15 March 2023 at 11.30 a.m.

Poll Voting

17. The voting at the AGM will be conducted by way of poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn. Bhd.as the Poll Administrator to conduct the poll by way of electronic voting and SharePolls Sdn Bhd as the Scrutineers to verify the poll results. Upon completion of the voting session for the respective AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

ADMINISTRATIVE GUIDE (CONT'D)

RPV Facilities

18. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM:

Procedures		Action
Before AGM		
1.	Register as participant in Virtual AGM	• Using your computer, access the website at https://rebrand.ly/LamboAGM1. Click on the **Register** button to register for the AGM session. • If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click Register and enter your email followed by Next to fill in your details to register for the AGM session. • 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	• All the Shareholders are required to register prior to the meeting. The registration will be open from 11.30 a.m. on Tuesday, 31 January 2023 and the registration will close at 11.30 a.m. on Wednesday, 15 March 2023. • Clicking on the link will redirect you to the AGM event page. Click on the **Register** button for the online registration form. • Complete your particulars in the registration page. Your name **MUST** match your CDS account name (not applicable for proxy). • Insert your CDS account number and indicate the number of shares you hold. • 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 your registration being rejected. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at Thursday, 9 March 2023, the system will send you an email to notify you if your registration is approved or rejected after Thursday, 9 March 2023. • If your registration is rejected, you can contact the Company's Share Registrar or the Company for clarifications or to appeal.

ADMINISTRATIVE GUIDE (CONT'D)

RPV Facilities (Cont'd)

18. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM: (Cont'd)

Procedures		Action
On the day of AGM		
3.	Attending Virtual 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 session. • Click **Join Event** in the reminder email to participate the RPV.
4.	Participate with live video	• 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. • Take 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 respective 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 stipulated time frame. • Click on the **Submit** button when you have completed. • 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.

No Recording or Photography

19. Strictly **NO recording or photography** of the proceedings of the AGM is allowed.

Enquiry

20. If you have any enquiry prior to the meeting, please contact the following officers during office hours from 9.00 a.m. to 5.30 p.m. (Monday to Friday):

For Registration, logging in and system related:

Lambo Group Berhad
Name: Ms Eris / Ms Jey
Telephone No: +603-7688 1013
Email: vgm@mlabs.com

For Proxy and other matters:

ShareWorks Sdn. Bhd.
Name: Mr Kou / Ms Stacy Goh
Telephone No: 03-6201 1120
Email: ir@shareworks.com.my

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LAMBO GROUP BERHAD
Company Registration No.: 200001014881 (517487-A)
(Incorporated in Malaysia)

FORM OF PROXY

CDS ACCOUNT NO.
NO. OF SHARES HELD

I/We, ...
[Full name in block and NRIC No. / Registration No.]

Tel. No.: .... of ....

[Address] ....
being a member/members of Lambo Group Berhad, hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address: Contact No: Email Address:			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address: Contact No: Email Address:			

or failing him, the Chairman of the meeting as my/our proxy to attend and to vote for me/us on my/our behalf at the Twenty-Second (22nd) Annual General Meeting of the Company will be held on a virtual basis and entirely via remote participation and voting from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor via online meeting platform at https://rebrand.ly/LamboAGM1 on Thursday, 16 March 2023 at 11.30 a.m. or immediately following the conclusion or adjournment (as the case may be) of the Twenty-First (21st) Annual General Meeting which will be held at 10.00 a.m. on the same day and at the same venue, and to vote as indicated below:-

No.	Agenda	Resolutions	For	Against
1.	To approve the payment of Directors' fees and other benefits payable to the Directors.	**Ordinary Resolution 1**		
2.	To re-elect Koo Kien Yoon as Director.	**Ordinary Resolution 2**		
3.	To re-elect Zhuang Guohua as Director.	**Ordinary Resolution 3**		
4.	To re-appoint Messrs CAS Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 4**		
5.	To approve the authority to allot and Issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	**Ordinary Resolution 5**		
6.	To retain Ng Chee Kin as Independent Non-Executive Director.	**Ordinary Resolution 6**		
7.	To approve the proposed new Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	**Ordinary Resolution 7**		

(Please indicate with a "X" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion)

Signed this..

....
Signature*
Member
(* if shareholder is a corporation, this form should be executed under seal)

Notes:-

1. ***Section 340 (1) of the Companies Act, 2016 states that an Annual General Meeting ("AGM") must be held once in every calendar year. Therefore, the forthcoming Twenty-Second (22nd) AGM of the Company will be held in respect of the calendar year 2023. There will be no Audited Financial Statements tabled at this AGM. The 16-months Audited Financial Statements for the financial period ended 30 September 2022 will be tabled at the Twenty-First (21st) AGM which will be held on the same day, 16 March 2023 at 10.00 a.m.***

2. *Only depositors whose names appear in the Record of Depositors as at 9 March 2023 shall be regarded as members and be entitled to attend, participate, speak and vote at the 22nd AGM.*

3. *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.*

4. *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.*

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AFFIX
STAMP

THE SHARE REGISTRAR OF
LAMBO GROUP BERHAD
COMPANY REGISTRATION NO. 200001014881 (517487-A)

SHAREWORKS SDN. BHD.
NO. 2-1, JALAN SRI HARTAMAS 8,
SRI HARTAMAS,
50480 KUALA LUMPUR,
MALAYSIA.

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5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.*

6. *Any alterations in the Proxy Form must be initialed by the member.*

7. *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.*

8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the Share Registrar Office of the Company 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 or any adjournment thereof as Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of 22nd AGM to vote by poll.*

9. *The 22nd AGM will be conducted virtually at the broadcast venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*

Fold This Flap For Sealing

Lambo™
GROUP BERHAD

LAMBO GROUP BERHAD
Company No. 200001014881 (517487-A)

Lot 11.1, 11 Floor, Menara Lien Hoe,
No 8, Persiaran Tropicana, 47410,
Petaling Jaya, Selangor

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