



mobilia®

**MOBILIA HOLDINGS
BERHAD**

(Registration No. 202001004249
(1360569-P))

**ANNUAL
REPORT
2020**



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Proxy Form

CORPORATE PROFILE



Mobilia Holdings Berhad was incorporated in Malaysia on 6 February 2020 under the Companies Act 2016 as a private company limited by shares under the name of Mobilia Holdings Sdn Bhd. On 11 June 2020, our Company was converted into a public limited company and assumed our present name as Mobilia Holdings Berhad.

We engaged in the business of investment holding and provision of management services, and through our subsidiary, Mobilia International Sdn. Bhd. ("Mobilia International"), we are principally involved in investment holding, design, manufacturing and sale of furniture and furniture parts. Our furniture operations are based in Muar, Johor and our products are sold locally and overseas countries in Asia, North America, Europe, South America and Australasia.

CORPORATE INFORMATION

Board Of Directors

Datin Siah Li Mei
(Independent Non-Executive
Chairman)

Quek Wee Seng
(Managing Director)

Quek Wee Seong
(Executive Director)

Tajul Arifin Bin Mohd Tahir
(Independent Non-Executive
Director)

Lim See Tow
(Independent Non-Executive
Director)

Quek Yan Song
(Alternate Director to
Quek Wee Seng)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Lim See Tow

Members
Datin Siah Li Mei
Tajul Arifin Bin Mohd Tahir

REMUNERATION COMMITTEE

Chairman
Tajul Arifin Bin Mohd Tahir

Members
Datin Siah Li Mei
Lim See Tow

NOMINATING COMMITTEE

Chairman
Datin Siah Li Mei

Members
Tajul Arifin Bin Mohd Tahir
Quek Wee Seng

COMPANY SECRETARIES

Ng Mei Wan
SSM Practicing Certificate
No.: 201908000801
MIA Member No.: 28862

Tan Hui Khim
SSM Practicing Certificate
No.: 201908000859
License Secretary No.: LS 0009936

REGISTERED OFFICE

No. 7 (1st Floor)
Jalan Pesta 1/1
Taman Tun Dr. Ismail 1
Jalan Bakri
84000 Muar, Johor
Tel. No. : (606) 954 1705
Fax. No. : (606) 954 1707

HEAD/MANAGEMENT OFFICE

1st & 2nd Floor
Plot 63, PTD 13189
No. 15, Jalan Sinar Bakri 1
Bukit Bakri, Jalan Bakri
84200 Muar, Johor

Tel. No. : (606) 986 3142/ 48
Fax. No. : (606) 986 3122
Email : investor@mobiliainternational.com
Website : www.mobiliainternational.com

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
HSBC Amanah Malaysia Berhad
Maybank Islamic Berhad
AmBank Islamic Berhad

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF1018
8, Jalan Pesta 1/1
Taman Tun Dr. Ismail 1
Jalan Bakri
84000 Muar, Johor

Tel. No. : (606) 9524 328
Fax. No. : (606) 9527 328

SPONSOR

Kenanga Investment Bank Berhad
Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur

Tel. No. : (603) 2172 2888
Fax. No. : (603) 2172 2999

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

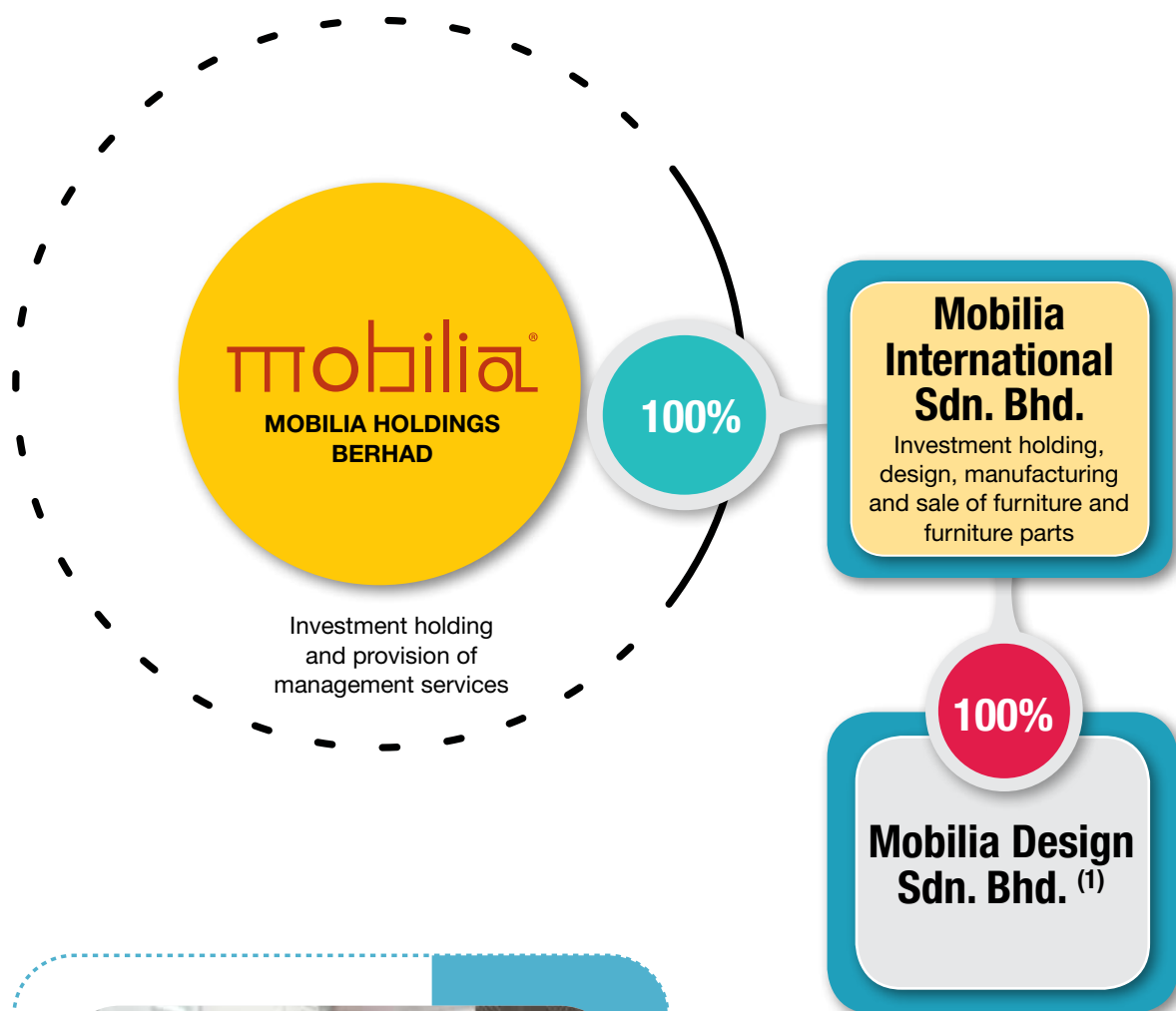
Tel. No. : (603) 2783 9299
Fax. No. : (603) 2783 9222

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : MOBILIA
Stock Code : 0229



CORPORATE STRUCTURE



Note:

⁽¹⁾ Mobilia Design Sdn. Bhd. ("Mobilia Design") has completed the transfer of its entire business operations and assets to Mobilia International on 31 March 2020 and had ceased business operations since 1 April 2020 and commenced members' voluntary winding up on 12 June 2020. It will be dissolved upon completion of the members' voluntary winding up.

MANAGEMENT DISCUSSION AND ANALYSIS

Mobilia Holdings Berhad (“Mobilia” or “the Group”) has achieved a remarkable milestone in year 2021, with the successful listing of its shares on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 23 February 2021.

1. OVERVIEW OF OUR GROUP’S BUSINESS AND OPERATIONS

Mobilia is one of the leading home furniture manufacturers in Malaysia, principally involved in the design and manufacturing of home furniture. We manufacture a range of wood-based furniture, including wooden upholstered furniture. Our home furniture can be categorized into three main categories, namely dining room furniture, living room furniture and bedroom furniture, with examples of each categories as follows:



Dining room furniture

Dining tables, dining chairs, bar chairs and bar tables



Living room furniture

Sofas, television cabinets, cabinets, sideboards, shelves, benches, stools, study desks and table sets



Bedroom furniture

Bed frames, night stands, dressers, chest drawers and mirrors

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

In 2020, we completed the first phase of construction of our own manufacturing plant, which comprises 2 blocks of single-storey detached factory buildings and a block of four-storey detached hostel ("Phase 1A"), and had began to fully operate from this manufacturing plant. With this we expanded both the built-up area of our manufacturing plant and the production capacities.

Our customers are primarily agent, distributors and retailers. We have increasing revenue from the export market as the export market provides us access to a larger number of customers globally. This also reduces our dependency risk on certain market or country and allows us to diversify our business across multiple markets and countries.

Interruptions to Business and Operations due to outbreak of Covid-19 pandemic**Impact to our operations**

Year 2020 has been a challenging year resulting from the global outbreak of Covid-19 pandemic. The imposition of Movement Control Order ("MCO") on 18 March 2020 had resulted in the mandatory closure of all government and private premises, except those involved in essential services. It had caused a halt to our operations. We only resumed operations on 4 April 2020 at limited capacity where only 50% of our total employees were allowed to work in our manufacturing plant at any one time. Employees who were not involved in manufacturing works in the factory were allowed to work from home until we obtained an approval from MITI to operate in full capacity under a set of strict Standard Operating Procedures ("SOP") on 29 April 2020. We resumed all manufacturing operations on 30 April 2020.

Impact to the supply of our materials and subcontractor services

The imposition of the MCO had also affected the operations of our subcontractors and suppliers, which had resulted in delays in supplying certain materials and completion of subcontracted manufacturing works. However, all the backlog orders from our suppliers and subcontractors had been fully resolved within the year 2020.

Impact to our sales

We prioritized the fulfilment of delayed orders upon commencement of operations. All the delayed orders due to disruption to our manufacturing activities and delayed order from customer request have completely been fulfilled within year 2020 and all payment have been collected in year 2020 as well. Thus, there were no impact to our revenue and cash flow for the FYE 2020.

Despite the cancellation and postponement of several furniture fairs and exhibitions, we still managed to secure new customers and orders in year 2020, as we continue to engage with new prospective customers through emails and phone calls to promote our products.

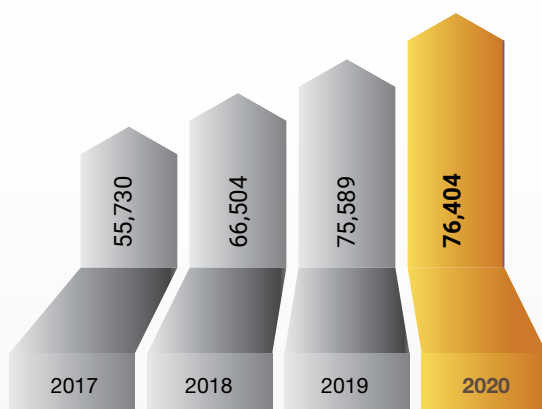
MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

2. Group Financial Highlights

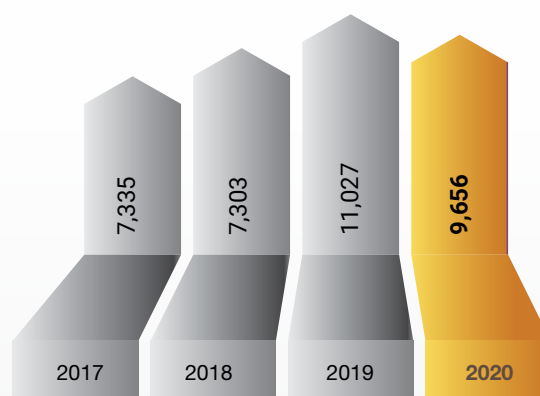
Financial Year Ended 31 December ("FYE")	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Revenue	55,730	66,504	75,589	76,404
Profit before tax	7,335	7,303	11,027	9,656
Profit after tax	6,264	6,243	8,420	8,655
Shareholders' equity	19,915	22,658	23,578	32,233
Net profit attributable to equity holders	6,264	6,243	8,420	8,655
Weighted average number of shares in issue ('000) *	340,000	340,000	340,000	340,000
Basic earnings per share (sen) *	1.84	1.84	2.48	2.55

* Basic earnings per share was calculated based on number of shares in issue of 340,000,000 ordinary shares as at 31 December 2020.

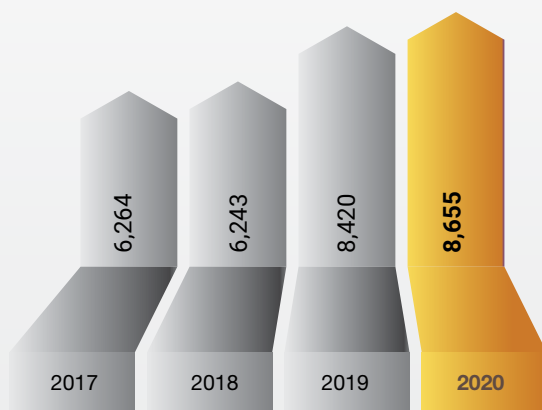
REVENUE (RM'000)



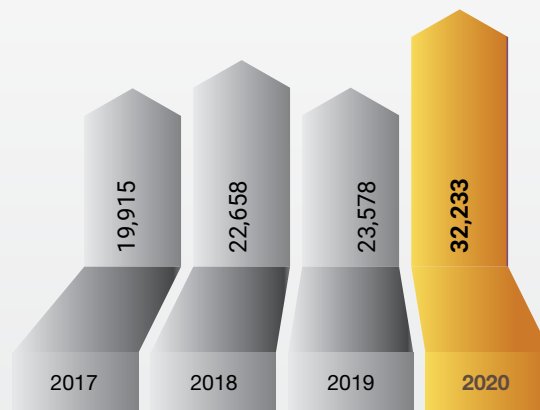
PROFIT BEFORE TAX (RM'000)



PROFIT AFTER TAX (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Revenue

In FYE 2020, we reported a slight growth in total revenue of approximately RM0.82 million or 1.08% from RM75.59 million in FYE 2019 to RM76.40 million in FYE 2020 despite the disruption of Covid-19 pandemic. The growth was mainly attributable to the higher sales volume and strengthening of USD against RM.

In FYE 2020, the overseas markets accounted for approximately RM54.59 million or 71.45% of our total revenue while domestic markets account for remaining RM21.81 million or 28.55%. North America market was the primary revenue generator reported revenue contribution of approximately RM35.26 million, representing 46.15% of total revenue with sales growth of approximately RM13.37 million or 61.07% compared to FYE 2019. Asia excluding Malaysia is the second largest export market with sales contribution of 15.61%, followed by Europe, Australasia and South America.

Profit Before Tax ("PBT")

Our PBT decreased by approximately RM1.37 million or 12.43% from RM11.03 million in FYE 2019 to RM9.66 million in FYE 2020. This was mainly attributable to the fixed cost incurred despite lower revenue during the period of imposition of MCO and cost increase in professional fees which includes the listing expenses of approximately RM1.11 million.

Profit After Tax ("PAT")

Our PAT increased by approximately RM0.24 million or 2.79% from RM8.42 million in FYE 2019 to RM8.66 million in FYE 2020. The increase in PAT is mainly due to the lower effective tax rate in FYE 2020 compared to FYE 2019 as a result of the utilisation of tax incentive in the form of reinvestment allowance, for the expansion of factory building Phase 1A constructed on Lot 2782, and additional machineries for expansion and automation of manufacturing.

Financial Position and Liquidity

Our financial position remains healthy as the company had already geared up for our business expansion. Our average trade receivable turnover as at 31 December 2020 were recorded at approximately 31 days. Our normal trade terms granted to customers ranges from cash term to 90 days.

Our average trade payables turnover period as at 31 December 2020 was approximately 46 days. The inventory turnover period was approximately 51 days, mainly due to the higher level of raw material stock as at 31 December 2020 in anticipation of the increase in our sales order in the coming months.

Our cash and cash equivalents stood at approximately RM14.07 million as at 31 December 2020. Our total bank borrowings increased by approximately RM6.65 million to RM29.14 million as at 31 December 2020 compared to FYE 2019. This was mainly due to the increased utilisation of trade bills of approximately RM2.98 million and additional term loans of RM3.63 million for construction of factory and office building. We reported a gearing ratio and net gearing ratio of 0.90 times and 0.47 times, respectively as at 31 December 2020.

For cash flow movement, the net cash used to purchase property, plant and equipment reported at RM5.73 million in FYE 2020. The capital expenditure incurred in the FYE 2020 was mainly for the factory building and office construction cost of RM3.74 million. The cash used for financing activities for repayment of banker's acceptance, term loans, hire purchase and lease liabilities amounted to RM15.34 million.

Our Group remains prudent in maintaining a healthy financial position that enables us to execute our strategic plans and maximizing our shareholders' value.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

3. ANTICIPATED OR KNOWN RISKS

Sudden disruptions caused by outbreak of pandemics such as the Covid-19 virus

Our business and operations were affected by the MCO imposed by the Government of Malaysia where our manufacturing activities came to a halt between 18 March 2020 and 4 April 2020 and partially operated between 4 April 2020 and 29 April 2020. Additionally, our suppliers and subcontractors were unable to operate during the MCO which disrupted the supply of our materials and subcontractor services. Moreover, the Covid-19 pandemic had also affected our business transactions overseas. Many governments of these countries have taken precautionary measures such as closure of transportation hubs to curb the spread of the Covid-19 virus, which led to delays and interruptions to the delivery of our products to these countries. However, all the disruptions have been resolved in FYE 2020 and there were no impact to our revenue and cash flow for the FYE 2020.

Following the imposition of the second MCO effective from 12 January 2021, there has been no known impact to our current operations, supply of raw materials and subcontracted services. Nevertheless, should the restrictions under the MCO further tighten which result in mandatory closure of our operations and or the operations of our suppliers and subcontractors, our business and operations may be adversely impacted as it may lead to delays in fulfilling our orders, which will consequently affect our financial performance.

Our sales and marketing activities were also affected by the Covid-19 pandemic as furniture fairs and exhibitions being our key sales and marketing activities, have been postponed or cancelled entirely. This may affect our outreach to potential new customers which may temporarily slowdown our expansion and growth rate.

Fluctuations of foreign exchange rate

For the FYE 2020, approximately 92.96% of our Group's total revenue were denominated in USD. As majority of our sales are denominated in USD, any significant change in foreign currency exchange rate may affect our Group's financial results.

We maintain foreign currency accounts to receive proceeds of our sales and payment for imports in USD. To a certain extent, we may also enter into foreign currency option forward contracts with banking institutions to sell the USD received from our customers at agreed exchange rates to RM for fixed periods of time to reduce the foreign currency exposure risk.

Fluctuation in the prices of direct materials

Our main raw materials consist of rubberwood and other wood materials such as laminated boards, veneer boards, medium density boards and particle boards. The prices of these raw materials may fluctuate according to the level of demand and supply at that point in time. Such fluctuation may affect our financial performance.

It is our practice to look for multiple sources of supply to maintain competitive prices. Some of our purchase of raw materials are made upon receipt of confirmed orders from our customers to minimise the impact of any adverse price fluctuations in our main raw materials. Our suppliers regularly keep us abreast of the supply condition and price trend of our raw materials to ensure that we are aware and are prepared for any price fluctuation of the raw materials.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Changes in political, economic and regulatory conditions

We have exported our products to countries in North America, South America, Asia, Europe and Australasia. As we continue to expand our business and export markets, our business operations are expected to be increasingly affected by political, economic, legal and social conditions in Malaysia as well as countries that we export our furniture to. Risks that we are exposed to include, amongst others, changes in government or regulatory policies such as tax rates and interest rates, unstable economic conditions, changes in political leadership and wars.

Although we will continue to comply with the legal and regulatory frameworks in Malaysia and the countries in which our customers operate, there is no assurance that future introduction of new law or other economic, political and regulatory conditions will not have adverse effect on our business, operation achievement and financial performance.

Dependence on availability of foreign workers

The manufacturing works for furniture is labour intensive. As it is increasingly difficult to hire local manufacturing workers, our Group is reliant on foreign workers to carry out the manufacturing activities. Our foreign workers mainly originate from Bangladesh, Myanmar and Nepal.

Any changes to foreign worker visa policies in Malaysia or in the countries which our foreign workers are from or any suspension on the intake of foreign workers in Malaysia may result in difficulties for our Group to maintain a sufficient foreign labour workforce which, may affect our manufacturing operations and in turn, adversely affect our overall financial performance. In addition, our Group's anticipated business growth is also subject to the expansion in our manufacturing operations, which would require a subsequent increase in foreign labour to meet increased manufacturing activities. Further, the costs of foreign labour may continue to increase in the future. Any increase in the levy rate for foreign workers will increase our cost for labour which consequently may increase our cost of sales.

Presently, our Group has not faced any difficulties in renewing the working permits for our existing foreign workers, and we are not aware of any changes to the general validity of the working permits issued lately. Further, we also have adopted automated equipment and machinery in our manufacturing process in order to reduce the dependence on manual labour.

4. FUTURE PROSPECTS AND OUTLOOK OF OUR GROUP

The outbreak of Covid-19 pandemic has affected global economic and business activities in year 2020, including furniture businesses. Nevertheless, the increase in demand for home furniture driven by the purchase of home furniture to improve living space at home due to movement controls imposed in various countries has cushioned the negative impact arising from the Covid-19 pandemic.

Further, the global demand for furniture is expected to remain strong over the longer term as furniture is an essential item for comfort and functional purposes to support daily activities. Premised on this, the furniture export industry in Malaysia is expected to recover when global supply chain resume, economic conditions recover and the impact of Covid-19 pandemic subsides or ends.

With the IMF's world GDP forecast for 2021 of 5.5%, we are optimistic on the future prospect of our Group. Our Group is expected to benefit from the future plans and strategies, including expansion of current manufacturing plant, purchase of additional machineries, increase of our product range, and expansion of our customer base and export markets.

5. DIVIDEND POLICY

Our Group does not have a fixed dividend policy. Our Group's ability to distribute dividend is subject to various factors, such as profit recorded, availability of adequate reserves and cash flows, operating cashflow requirements and financial commitments.

There were no dividend paid during the financial year under review.

BOARD OF DIRECTORS' PROFILES



DATIN SIAH LI MEI

Age 54
Female / Malaysian
Independent Non-Executive Chairman

She was appointed to our Board on 15 June 2020.

She graduated with a Bachelor of Laws (Hons) from University of Buckingham, England in February 1989 and admitted as an Advocate and Solicitor of the High Court of Malaya in 1990. She was the Chairperson of the Conveyancing Practice Sub-Committee for the 2014/2015 term and thereafter a member of Conveyancing Practice Sub-Committee from 2015 to 2018 and 2020 and 2021 on the Malacca Bar Committee.

She began her career in 1990 by joining Nik Hussain & Partners (now known as Chee Siah Le Kee & Partners) as Legal Assistant and appointed as Managing Partner of Chee Siah Le Kee & Partners in year 2015, a position she assumes to present date. To date, she has around 30 years of working experience in legal practice, where her legal expertise spans across the areas of banking and finance, real estate, property development as well as corporate and business.

She also holds directorships in several private limited companies.



QUEK WEE SENG

Age 51
Male / Malaysian
Promoter, Managing Director and substantial shareholder

He oversees the overall business operations as well as the formulation and implementation of our Group's strategic direction and business expansion strategies. He was appointed to our Board on 15 June 2020.

With his in-depth valuable experience in furniture industry over the years, has led to the co-founding of Sern Kou Furniture Industries Sdn Bhd ("Sern Kou Industries") in year 1992, a furniture manufacturing company. He was also the Executive Director of Sern Kou Resources Berhad when it was listed on the Second Board of Malaysia Securities Exchange Berhad (now known as Bursa Securities), overseeing the productions operations and product development activities. On 3 February 2010, he resigned from the Board of Directors of Sern Kou Resources Berhad with the intention to pursue his own business interest.

He and his brother, Quek Wee Seong completed the acquisition of equity stake in Mobilia International through Nutracraft Sdn. Bhd. on 6 April 2015 and became a Director in Mobilia Design in year 2017. In 2020, he was re-designated as our Group's Managing Director and assumed his current responsibilities.

Quek Wee Seng is also a director and major shareholder of Exelient Sdn. Bhd. ("Exelient"), a major shareholder of Mobilia. He also holds directorships in several private limited companies.

BOARD OF DIRECTORS' PROFILES
(Cont'd)



QUEK WEE SEONG

Age 49

Male / Malaysian

Promoter, Executive Director and substantial shareholder

He oversees the entire manufacturing operations of our Group, from wood preparation to assembly of furniture, as well as functions associated to manufacturing operations such as machining, purchasing and warehousing. He was appointed to our Board on 15 June 2020.

Over the years, he accumulated extensive experience and knowledge in managing the company spanning a wide ranging of industries. He and his brother, Quek Wee Seng completed the acquisition of equity stake in Mobilia International through Nutracraft Sdn. Bhd. on 6 April 2015. He was then appointed as Director of Mobilia International on 6 April 2015 and assumed his current responsibilities.

Quek Wee Seong is also a director and major shareholder of Exelient, a major shareholder of Mobilia. He also holds directorships in several private limited companies.



TAJUL ARIFIN BIN MOHD TAHIR

Age 54

Male / Malaysian

Independent Non-Executive Director

He was appointed to our Board on 15 June 2020.

He graduated with a Bachelor of Science in Business Administration from Saint Louis University, USA in 1989 and work as a freelancer in the fields of hospitality and food and beverage in USA before returning to Malaysia in year 1991.

He joined MIDF Consultancy and Corporate Services Sdn Bhd (now known as Tricor Investor & Issuing House Services Sdn Bhd) in 1991 and was promoted to Associate Director in year 2008, where he was responsible for company's business growth.

In 2016, he left Tricor Investor & Issuing House Services Sdn Bhd and has been providing freelance consulting services on marketing matters since then. In 2018, he co-founded 5 Pillars Ventures Sdn Bhd, a venture capital management company licensed and registered by the SC, to undertake venture capital activities in Malaysia.

On 15 October 2018, he was appointed as Independent Non-Executive Chairman of Mestron Holdings Berhad, a company listed on the ACE Market of Bursa Securities.

He also holds directorships in several private limited companies.

BOARD OF DIRECTORS' PROFILES
(Cont'd)



LIM SEE TOW

Age 46
Female / Malaysian
Independent Non-Executive Director

She was appointed to our Board on 15 June 2020. She is currently the Chairperson of the Audit Committee.

She is a chartered accountant and has been a member of the Member of Malaysian Institute of Accountants since 2003. She graduated with an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia in 1999 and obtained the ACCA accreditation in 2003.

In 1999, she began her career as Audit Assistant in Deloitte PLT and last post as Associate Director in TAP Partners Sdn Bhd before she left in year 2006 and joined Clear Water Developments Sdn Bhd as Chief Operating Officer, a position she assumes to present.

On 18 January 2008, she was appointed as Independent Non-Executive Director of Techna-X Berhad (formerly known as Sino Hua-An International Berhad), a company listed on the Main Market of Bursa Securities.

She also holds directorships in several other private limited companies.



QUEK YAN SONG

Age 26
Male / Malaysian
Alternate Director to Managing Director and Business Development Manager

He is mainly responsible for managing the overall sales and marketing, design & development and business development activities of our Group, including the Design and Development ("D&D") of new home furniture. He was appointed to our Board on 15 June 2020.

He graduated with a Bachelor of Business (Marketing) from Royal Melbourne Institute of Technology ("RMIT University"), Australia in 2017.

Upon completing his studies in RMIT University in 2017, he joined Mobilia International as Management Trainee in various departments. In the same year, he was promoted to Business Development Executive focusing on sales and marketing activities and D&D activities, including conceptualising and developing new furniture designs based on feedbacks received from customers and through participation in trade exhibitions and events.

In 2019, he was promoted to Business Development Manager, a position he assumes to present date. He continues to be groomed by Quek Wee Seng and the key senior management to gradually undertake the overall leadership of our Group in the future. In 23 Feb 2021, he was promoted as Alternate Director to Managing Director Mr Quek Wee Seng.

He presently does not hold any other directorships in other companies.

None of the directors were convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

None of the directors have any family relationship with any director and/or major shareholder of the Company other than as follows:

- Mr Quek Wee Seong and Mr Quek Wee Seng are brothers; and
- Mr Quek Wee Seng is the father of Mr Quek Yan Song, who is our Business Development Manager and also an Alternate Director to Quek Wee Seng

KEY MANAGEMENT'S PROFILE



TAN LEY WUN

Age 41
Female / Malaysian
Group Accountant

In 2000, she obtained a Bachelor of Arts in Accounting from University of Hertfordshire, United Kingdom. She is a chartered accountant, a fellow member of the Association of Chartered Certified Accountants ("ACCA") and member of the Malaysian Institute of Accountants.

She began her career as Audit Assistant in SC Lim & Co (now known as SC Lim, Ng & Co) in 2000 and joined Wang Nutrition (M) Sdn. Bhd. in 2004 as Finance Manager covering financial reporting, budgeting and cash flow management.

In 2006, she joined T.A. Furniture Industries Sdn. Bhd. (a wholly-owned subsidiary of TAFI Industries Berhad, a company listed on the Main Market of Bursa Securities) as Internal Auditor and undertook the role as Assistant Business Development Manager in year 2010. She continued her journey as the Accountant of Vitally Sdn. Bhd. in year 2010 before joining Mobilia International. She was responsible for accounting and finance functions, including financial reporting and planning, taxation, treasury management, corporate affairs and internal audit and control. In 2020, she was promoted to Group Accountant, where she assumed similar responsibilities.

She presently does not hold any other directorships in other companies.



KHOO AI LEE

Age 54
Female / Malaysian
Human Resource and Administration Director

She graduated with a Bachelor of Arts in Management from Walsh University, United States in 1993. She began her career in 1993 as Marketing Manager in Seng Fong Trading Sdn. Bhd. and promoted as Finance Manager in 1997. In 2000, she left Seng Fong Trading Sdn. Bhd. and took a career break.

In 2002, she resumed her career as Administration Manager in Sern Kou Industries and left as Group Senior Manager, where she supervises the implementation of quality control and human resource functions in 2008 for another career break. Her last position was Corporate Mass Communication Manager of Perspektif Masa Sdn. Bhd., managing internal and external communications with stakeholders as well as public relation in 2010.

In 2011, she joined Mobilia International as Manager and continued her career journey in Mobilia prior promoted as Human Resource and Administration Director in 2020, a position she assumes to present. She is responsible for all matters pertaining to human resource, including recruitment and managing employees' welfare and relations. She also works closely with our key senior management to establish and maintain our Group's organisational structure to ensure communication efficiency within our Group.

She presently does not hold any other directorships in other companies.

KEY MANAGEMENT'S PROFILE (Cont'd)



KU YONG YEE

Age 44
Male / Malaysian
Manager

He is responsible for our Group's purchasing and inventory management. In April 2000, he graduated with a Bachelor of Commerce in Management and Marketing from Curtin University of Technology, Australia. Upon completing his tertiary education, he joined Chongee Enterprise Sdn. Bhd. in 2000 as Senior Purchasing Executive. In 2004, he joined Gold Wheel Industries Supply Sdn. Bhd. as General Manager where he was tasked to oversee the daily operations of the company, and also responsible for the company's business transition from trading to manufacturing of industrial spare parts.

He was the Purchasing Manager of Sern Kou Industries for 10 years before joining Best-Beteck Furniture Sdn. Bhd. as Senior Manager where he oversaw the daily operations of the company covering matters related to sales and marketing, purchasing and human resource.

In 2017, he left Best-Beteck Furniture Sdn. Bhd. and joined Mobilia International as Manager, a position he assumes to present.

He presently does not hold any other directorships in other companies.



WONG ENG CHUAN

Age 50
Male / Malaysian
Factory Manager

He oversees the overall factory operations including, amongst others, production schedule and workforce management, and machinery and equipment maintenance.

With around 6 years of working experience since 1987 in the furniture manufacturing industry, he acquired extensive knowledge on furniture manufacturing workflows and factory management. In 1994, he joined Sern Kou Industries as Supervisor and with 14 years of employment with Sern Kou Industries, he was promoted to Factory Manager in 2008 where he oversaw the overall factory operations.

In 2010, he joined Mobilia International as Production Supervisor and promoted as Factory Manager in 2011 and assumed his current responsibilities.

He presently does not hold any other directorships in other companies.

None of the key management personnel were convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

None of the key management personnel have any family relationship with any director and/or major shareholder of the Company other than as follows:

- Mr Quek Yan Song who is the son of Mr Quek Wee Seng, Managing Director of Mobilia.

SUSTAINABILITY STATEMENT

For our first year of reporting, this Sustainability Statement has been prepared in accordance with the Sustainability Reporting Guide issued by Bursa Securities.

Mobilia maintains a proactive stance in promoting good governance and being a socially responsible organisation. Our sustainability efforts are initiated to maximise opportunities and efficiency, to continuously operate as a profitable entity and to create long term values to all stakeholders by taking into consideration the economic, environment and social (“EES”) aspects.

The foundation of our approach includes having global standards, processes and tools in place to manage the safety of our people, the surrounding community and the environment. In the long run, we aim to continuously improve the way we operate to prevent incidents, identify, mitigate and minimise the adverse environmental and social impacts across our community.

The scope of this Sustainability Statement covers information of our principal activities, design and manufacturing of home furniture operations with reporting timeline from 1 January 2020 to 31 December 2020.

Sustainability Governance

The Key Management discusses all relevant sustainability matters and activities during management meetings. Strategies and approaches are implemented to ensure achievement of the Group’s targets and goals. The Board were briefed on key sustainability matters.

The Group will look into establishing sustainability governance structure that forms the backbone of sustainability management across all levels of management to meet the challenging business world moving forward.

Anti-bribery and corruption practices

The Group adopted zero-tolerance approach to bribery and corruption and Anti-Bribery and Corruption Policy was established to provide guidance on how to recognise and deal with bribery and corruption issues to ensure the Group’s businesses are conducted in an honest, ethical and transparent manner. This policy is accessible through the Company website: www.mobiliainternational.com and the objectives is clearly stated in it.

Code of Ethical Conduct and Conflict of Interest

Ethics and integrity in conducting business are vital as our practices to ensure a sustainable and ethical business conduct within the Group. To adhere to the highest standards, all Directors and employees are to comply with the Code of Ethical Conduct and Conflicts of Interest (the “Code”) in Mobilia’s employee handbook.

The Code sets out the fundamental principles and guidelines for all employees to uphold high ethical business standards and apply these values in all aspects of the Group’s business and its shareholders. Each employee, upon employment in Group, signed on their appointment letter pledging their agreement on the ethical business conduct.

Whistleblowing Policy

A Whistleblowing policy is in place with the aim to provide a platform for our employees and any concerned stakeholders to report on any suspected misconduct, wrongdoings, corruption, corporate misbehaviour and fraudulent activities.

Complaints can be made to Audit Committee by submitting the Whistleblowing Report Form or email to whistleblowing@mobiliainternational.com as stipulated in the Whistleblowing Policy. Whistle-blowers’ identities are kept in confidence to the extent possible to facilitate independent investigations for appropriate remedial and follow up actions.

The Whistleblowing policy is available on our corporate website <https://www.mobiliainternational.com>

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT

At Mobilia, we strongly believe that effective communication and engagement with our key stakeholders are essential to develop a solid understanding of stakeholders' demands and ensure that it was addressed in a flexible and mutually beneficial manner. We maintain formal and informal management systems to engage with, listen to, and learn from our stakeholders and incorporate their inputs into the formulation of our sustainability strategies.

Our stakeholder engagements in financial year ("FY") 2020 include, and are not limited to the following:

Stakeholder	Engagement activities	Frequency	Discussion topics
Investors	Company website	Regularly	- Corporate Overview - Business prospects - Regulatory compliance
Employee	- Meetings - Interactions within operating units and management - Performance appraisal	On-going	- Group policies and procedures - Career development and training - Employees Safety and working environment - Group performance
Customers	- Field visits/ visual discussion and meeting - Marketing materials - Corporate announcement and publication - Feedback	On-going	- Product quality inspection and control - Product pricing - Product design, development and innovation
Suppliers	- Meeting and discussions - Supplier performance selection	On-going / Annually	- Introduction/update of latest policies - Supplier evaluation annually - In coming quality checking
Regulatory authorities & government	- On-site inspections - Discussions and consultations	Ad hoc basis	- Regulatory compliance - Human capital development and labor practices

Material Sustainability Matters

The Key Management identified the material sustainability matters through desktop review taking into account of the business environment of Mobilia and risk identified from the Group's risk management process.

Detailed explanation on sustainability efforts in the aspects of EES are provided in the next section.

Economic Impact

Our responsibilities to the society goes beyond delivering sustainable long-term value to our shareholders. In a wider context, we are also responsible for developing the communities surrounding our operations. In this regard, the Group had been actively empowering the local community by welcoming interns under our internship placement

SUSTAINABILITY STATEMENT (Cont'd)

programme from various higher learning institutions and universities in Malaysia. In year 2020, the Group welcomed 3 interns to participate in our internship placement programme but it was unfortunate that 2 out of 3 of our interns have decided to withdraw from the internship programme with Mobilia due to increasing Covid-19 cases reported at several furniture companies in Muar.

The Group had for several years participated in the Furniture Technology Certification programme jointly organised by the Malaysian Furniture Council (MFC), VTAR Institute and Department of Skills Development (JPK). The programme is in accordance with the National Occupational Skill Standard (NOSS) implemented by JPK which aims to provide our country with more local workers with professional knowledge and technical skills about furniture industry while solving the problem of youth unemployment due to skills mismatch.

Although this programme was not offered last year by MFC, VTAR Institute and JPK, Mobilia is steadfast to participate in such programme when the opportunity arises as part of our effort to drive a shared and sustainable economic growth.

While we actively pursue new product and market developments, continuous investment (approximately RM0.38 million in year 2020) in machine automation projects as well as upgrading of machines is Mobilia's priority to improve productivity and optimise efficiencies in the production operation.

In this reporting period, we successfully completed an annual surveillance audit for ISO 9001:2015 by Certification Partner Global FZ LLC as well as maintaining the annual Forest Stewardship Council® Chain of Custody by SCS Global Services' certification of approval. It is a testimony and our commitment to produce high quality, environmentally and socially responsible product that meet with customers and regulatory requirements for the sustainable growth of the business.

Environmental Impact

We take pride in our efforts to conserve the environment and adopted green practices and energy management across our operations.

For a start, the Group had switched from fluorescent lights to Light Emitting Diodes ("LED") in our production offices, factories and the surrounding streetlights. We believe such move will reduce electricity consumption significantly as compared to using fluorescent lights.

We also engaged a third-party meal catering services for all workers that stay in our hostel to minimise travelling out from hostels as part of our efforts to reduce our carbon footprint. Moreover, the discharge of waste water from the hostel were also processed to meet the regulatory standards.

Among the initiatives we undertook in the past years, the green initiative with the greatest impact was replacing wooden pallets with metal pallets. By doing so, it reduced the amount of waste arising from the short life span of the wooden pallet. Moreover, the metal pallets with a significantly longer life span also resulted in cost savings to the Group. Additionally, we are in consideration to install solar powered electrical system which has the least negative impact to the environment as compare to other energy source.

As a furniture manufacturer, one of the key environmental challenges is the dust arising from the by-product of our production operation that can adversely affect the health and safety of our workers as well as the surrounding air quality. We invested approximately RM1.70 million in our dust-collection system and it was commissioned in year 2020 to provide for a safe and clean working environment, and to mitigate occurrence of environmental pollution incidents.

We are also committed to comply with applicable environmental laws and regulations in our operations, where all removal and disposal of wastes (i.e. scheduled and unscheduled waste) were handled by appointed government-licensed waste contractors.

During the financial year under review, there were no known or reported breaches or violations of environment rules.

SUSTAINABILITY STATEMENT (Cont'd)

Social Impact

Diverse body of employees is a valuable resource and it's also the driving force for the sustainable growth of Mobilia. In line with this, the Group promotes gender equality as well as women's empowerment and our commitment were demonstrated by having 33.33% of female representation in Mobilia Board's composition.

Gender diversity remains a challenge due to the nature of production processes in our manufacturing industry. Our local employees comprise of 76 manpower of which 55% is male and 45% is female (excluding foreign workers).

The safety and health of our employees is core to our relentless pursuit of sustainable value creation. Proactive efforts are in place to maintain health and safety welfare at work which includes continuous evaluation and analysing the risks that can affect our employees, and thereafter implement measures to address them responsibly. Our continuous investment into production automation would also minimise work-related injuries/incidents rate.

To familiarise our employees with potential risks and prepare them on the necessary actions to take should they encounter similar situation, we delivered various type of safety-and health training sessions throughout the year:

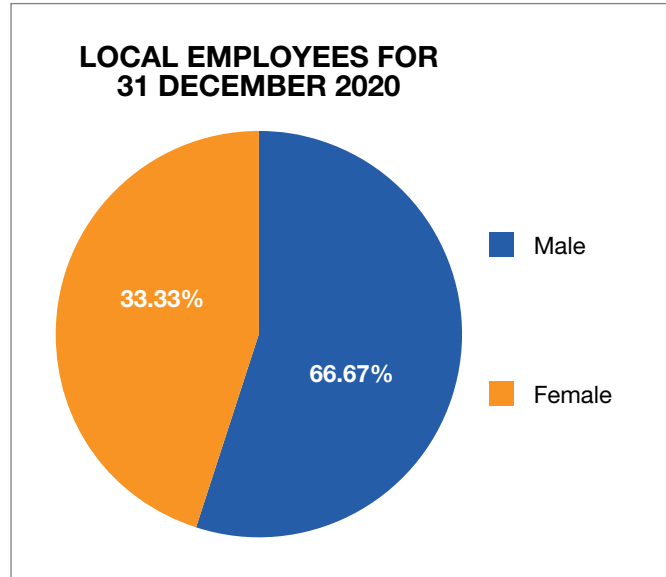
- New Workers Safety Induction
- Fire Extinguisher Usage Training
- Hearing Conservation Training
- Chemical Handling, Awareness and Spill Control Training
- Emergency Response Training – First Aid
- Covid-19 Awareness Briefing
- Sanitisation of Common Area Briefing
- Emergency and fire drills

During financial year 2020, we reported 2 cases of work-related injuries, both of which are non-fatal injuries. We will continue to maintain our focus to review, identify and improve the safe working environment and measures to achieve zero injury by financial year 2025.

In spite of the Covid-19 pandemic, we continued to serve our customers and the broader community. We abided by regulations and guidelines established by the authorities and enforced strict SOP to safeguard the health and wellbeing of all our employees and other stakeholders, as well as to ensure our business continuity. Regular disinfection, provisions of face masks, maintaining good personal hygiene and physical distancing are amongst other initiatives in curbing the spread of the Covid-19 pandemic.

At Mobilia, great importance is placed on the establishment of a workplace where employees can demonstrate their potential to the fullest, and which is truly inclusive. Besides safety and health trainings, we also advocate for employees' professional development. In this regard, we organised external and on job training sessions to improve the technical and soft skills towards upskilling and long-term career progression.

Gatherings / activities for both employees and communities surrounding our business operation in financial year 2020 were postponed due to Covid-19 pandemic. We will adhere to government's guideline and re-commence engagement activities once the pandemic subsides.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to Rule 15.25 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Guidance Note 11 of AMLR, the Board of Directors (“Board”) of Mobilia Holdings Berhad (“Mobilia” and “the Company”) is pleased to present this Corporate Governance (“CG”) Overview Statement to provide shareholders and investors with an overview of the CG practices of the Company and its subsidiaries (“the Group”) during the financial year ended 31 December 2020. This statement is to be read together with the Group’s Corporate Governance Report 2020 which is available on the Company’s website at www.mobiliainternational.com.

This CG Overview Statement takes guidance from the three key principles as set out in the Malaysian Code on Corporate Governance 2017 (“MCCG”), namely Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board's Roles and Responsibilities

The Group recognises the important role played by the Board in the stewardship of the Group’s direction and operations, and ultimately, the enhancement of long-term shareholders’ value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has adopted a Board Charter 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 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 salient features of the Board Charter are also accessible by the public through the Company’s website at www.mobiliainternational.com. The Board shall review the Board Charter periodically so as to ensure consistency with the prevailing regulations, listing requirement of Bursa Malaysia and the MCCG.

Various committees were established to assist the Board in discharging its duties and responsibilities effectively, namely Audit and Risk Management Committee (“ARMC”), Remuneration Committee (“RC”) and Nominating Committee (“NC”).

For a balance, accountability and a greater capacity for independent decision-making, the roles of the Board Chairman and the Managing Director (“MD”) are distinct and separated with a clear division of responsibilities between the Board Chairman and the MD.

The Board Chairman upholds the highest standards of integrity and provides coherent leadership in representing the Company’s vision and mission, while the MD is responsible for developing the Group’s objectives and strategies for approval by the Board having regard to the Group’s responsibilities to its various stakeholders. The role of the Executive Directors is to act as a steering committee and to collaborate with the Management in articulating the Group’s vision, mission, values and strategies; while the Management team are responsible for the implementation of the strategies and manage the day-to-day running of the business in line with the Company’s goals and policies.

The Independent Non-Executive Directors act independently of management and do not participate in any business dealings. They provide a broader view and independent assessment to the Board’s decision-making process by acting as an effective check and balance.

The Company Secretaries have the requisite, credentials, and is suitably qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries plays a significant role in supporting the Board to ensure that all governance matters and Board procedures are followed and that the applicable laws and regulations and the MCCG are complied with. These include obligations of Directors relating to disclosure of interests and disclosure of any conflicts of interest in transaction within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

The Company Secretaries organises and attends all Board and Board Committees meetings. Meeting notice and agenda were circulated to all Directors at least 7 days in advance. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings and circulated to Board of Directors accordingly.

For financial year ended 31 December 2020, the Board met on 17 February 2021, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions and the business plan and direction of the Group.

The members of the Board and Board Committees have discharged their roles and responsibilities in financial year 2020, through their attendance at the meetings of the Company as set out in the table below:-

	Board of Directors	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
Executive Directors				
Quek Wee Seng (Managing Director)	1/1	–	1/1	–
Quek Wee Seong (Executive Director)	1/1	–	–	–
Alternate Director				
Quek Yan Song	1/1	–	–	–
Independent Non-Executive Directors				
Datin Siah Li Mei (Chairman)	1/1	1/1	1/1	1/1
Tajul Arifin Bin Mohd Tahir	1/1	1/1	1/1	1/1
Lim See Tow	1/1	1/1	–	1/1

Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics ("COCE") for Directors and employees towards their customers, business partners, communities and shareholders. The Management and employees are expected to observe high standards of integrity and fair dealing in carrying out day-to-day duties and operation of the Group.

COCE is accessible through the Company website at www.mobiliainternational.com and it will be reviewed periodically to remain relevant and appropriate.

Anti-bribery and Corruption Policy

The Group adopted zero-tolerance approach to bribery and corruption and Anti-Bribery and Corruption Policy was established to provide guidance on how to recognize and deal with bribery and corruption issues to ensure the Group's businesses are conducted in honest, ethical and transparent manner. This policy is accessible through the Company website: www.mobiliainternational.com.

Whistle Blowing Policy

The Group has in place a Whistleblowing Policy to eradicate unethical behaviour in the workplace, and as avenue for any persons to raise concerns in good faith without fear of reprisal. It is available for download from the Company's website at www.mobiliainternational.com

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

II. Board Composition

The composition of the Board is basically in compliance with the AMLR and the MCCG, of whom three are Independent Non-Executive Directors, accounted for 50% of the Board composition. In addition, the Board currently has two (2) female Independent Non-Executive Directors, representing 33.33% of the Board, which met with the gender equality principles set out in the MCCG.

The Nominating Committee is chaired by the Independent Non-Executive Chairman, Datin Siah Li Mei. The appointment of Board and Key Management is based on objective criteria, merit and besides gender diversity, due regard is placed for diversity in skills, experience, age and cultural background. Collectively, the existing Board composition brings a wide range of business and financial experience from legal, business administration, corporate investor and advisory services, accounting and finance background relevant to the direction of the Group.

The Nominating Committee conducts an annual review of its size and composition, mix of skills, experience, assessment of Independent Directors and succession plans; as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the performance, commitment, ability and contribution of each individual Director. The Board was satisfied and believes that the current composition of the Board brings the requisite mix of skills and core competencies required for the Board to discharge its duties effectively.

During the financial year under review and up to the date of this report, the Directors attended the following trainings programmes to ensure that they keep abreast of various issues faced in the challenging business environment within the Group operates.

Directors	Courses / Training Programmes Attended
Datin Siah Li Mei	• CPD Talk: Resolving Company Law Disputes • Current Issues and Problems in the Implementation of the Strata Management Act 2013 (ACT 757) • Electronic Commerce - Legal Essentials Explained • Keep Calm and Carry on Conveyancing
Quek Wee Seng	• Mandatory Accreditation Program (MAP) • Enterprise Risk Management Training
Quek Wee Seong	• Mandatory Accreditation Program (MAP) • Enterprise Risk Management Training
Tajul Arifin Bin Mohd Tahir	• Fraud Risk Management Workshop
Lim See Tow	• 2021 Budget Seminar • Sustainability Reporting
Quek Yan Song	• Mandatory Accreditation Program (MAP) • Enterprise Risk Management Training • The Strategic Planning by Sun Tzu

III. Remuneration

The Board has in place a remuneration policy which aims to attract and retain Directors and key management in pursuing good corporate governance and hence ensuring sustainability of the Group.

The Remuneration Committee as a whole recommends the remuneration of Non-Executive Directors in accordance with the fiduciary duties, experience, level of responsibilities undertaken and time commitments to the Board and shareholders' approval be sought at the Annual General Meeting ("AGM"). Individual Directors are abstained from voting in respect of their individual remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

For the financial year ended 31 December 2020, a summary remuneration of the Directors as set out below:

Directors' remuneration and material benefits in-kind

FYE 2020	Salaries RM'000	Director Fees RM'000	Bonus/ Ex gratia payment RM'000	EPF, SOCSO and EIS RM'000	Allowances and Benefits-in- kind RM'000	Total RM'000
<u>Executive Directors</u>						
Quek Wee Seng	276.0	–	190.6	56.9	28.0	551.5
Quek Wee Seong	270.3	–	101.0	45.5	–	416.8
<u>Non-Executive Directors</u>						
Datin Siah Li Mei	–	19.5	–	–	–	19.5
Tajul Arifin Bin Mohd Tahir	–	19.5	–	–	–	19.5
Lim See Tow	–	19.5	–	–	–	19.5
<u>Alternate Director</u>						
Quek Yan Song	40.0	–	13.3	7.7	–	61.0

Key Management Personnel's remuneration and benefits

The Board is in the opinion that it is not in the best interest of the Company to make such disclosure on the remuneration of the key management due to the confidentiality and sensitivity of their remuneration package, and concerns over potential poaching by competitors and head hunters.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**I. Audit and Risk Management Committee ("ARMC")**

The ARMC comprised of three Independent Non-Executive Directors and chaired by an Independent Non-Executive Director, Ms Lim See Tow. She is a member of Malaysia Institute of Accountants and is in compliance with the Rule 15.09(1)(c)(i) of the AMLR of Bursa Malaysia. The position of the Board Chairman and ARMC Chairman are held by different individuals, allowing the Board to objectively review the ARMC's findings and recommendations.

To assist the Board in reviewing the financial information and to ensure compliance with applicable financial reporting standards, the ARMC members continuously undertake professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

Details of activities carried out by ARMC are disclosed on page 26 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

II. Risk Management and Internal Control

The Board fulfils its responsibilities in the risk governance and oversight functions through its ARMC in assessing and monitoring the efficacy of the risk management controls and measures taken, and the adequacy and effectiveness of the internal controls through internal audit function.

On-going reviews are performed by the Key Management Team on yearly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Meanwhile, the Group's internal audit function is outsourced to an external independent consultant ("Internal Auditor" or "IA") to provide an independent appraisal over the system of internal control of the Group and report to the ARMC.

The Board is of the view that the risk management and internal control systems that are in place is adequate and effective to safeguard shareholders' investment and the Group's assets, and the interest of customers, employees and other stakeholders. The details of the Risk Management and Internal Control framework and activities are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

I. Communication with Stakeholders

The Company recognises the importance of communicating with its shareholders and through Annual Report, Annual General Meeting ("AGM"), press conferences and announcements via Bursa Securities would enable comprehensive, timely and accurate disclosures of material information to the regulators, shareholders and other stakeholders.

The Alternate Director to MD is the designated spokesperson for all matters relating to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.

The Company has set up a website to facilitate dialogue with its investors and shareholders with the intention of giving investors and shareholders a clear and complete picture of the Company's performance and position, its policies on governance, the environment and social responsibilities. Investors and shareholders are welcomed to direct their concerns and queries to the designated person via call or email as stated in the Company's website.

A copy of Investor Relations and Corporate Disclosure Policy was established to promote effective engagement, fair and accurate information disclosure to employees, stakeholders and the general public.

The Board will consistently consider various approaches to develop a strategic corporate reporting and that present a balanced assessment of the Group's position and prospects in various financial and non-financial information to shareholders, investors and regulatory authorities.

II. Conduct of General Meeting

The AGM is the principal forum for dialogue between the Company and its shareholders and investors. This is the first AGM of the Company since listed on the ACE Market of Bursa Securities on 23 February 2021. The Company dispatched its Notice of Annual General Meeting ("AGM") to shareholders at least twenty-eight days before the AGM in 2021 and will continue to do so for the forthcoming AGMs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

The Board Chairman and Committee members including the ARMC, Remuneration Committee and Nominating Committee, the external auditors and where applicable, other advisers of the Company would commit themselves to presents at the AGM. The shareholders are encouraged to raise questions to the Group's Independent Non-Executive Chairman in regards to the Group's activities and prospects as well as to communicate their expectations and concerns in the upcoming first AGM held on.

The Company always makes sure that its meeting is held at an accessible location but not in remote areas in order to encourage shareholders to attend and participate in the meeting. Shareholders who are unable to be present may appoint a proxy to attend and vote on behalf as guided by the Company's Constitution.

COMPLIANCE STATEMENT

The Board shall continue to strive for high standards of corporate governance throughout the Group. The Board considers and is satisfied that save and except for Practice Notes 7.2 and 11.2 which are partially departed and / or not adopted as disclosed herein and in the Corporate Governance Report, the Company has in all material aspects satisfactorily complied with the principles and recommendations of the Code, the relevant chapters of the Listing Requirements on corporate governance and all applicable laws and regulations throughout FYE 2017.

This Statement was approved by the Board on 10 May 2021.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1. COMPOSITION

The Audit and Risk Management Committee (“ARMC”) comprises three (3) members, whom are Independent Non-Executive Directors of our Company. The ARMC meets the requirement of Rules 15.09 and 15.10 of 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 was established on 16 June 2020 comprising the following directors of the Company:

Name	Designation	Directorship
Lim See Tow	Chairman	Independent Non-executive Director
Tajul Arifin Bin Mohd Tahir	Member	Independent Non-executive Director
Datin Siah Li Mei	Member	Independent Non-executive Chairman

The Terms of Reference (“TOR”) will be reviewed from time to time to ensure its effectiveness and relevance to the Board’s objectives. The TOR of the ARMC is available on our corporate website: <http://www.mobiliainternational.com>.

2. MEETING AND ATTENDANCE

Prior to the listing of the Company on ACE Market of Bursa Securities on 23 February 2021, the ARMC held a meeting on 17 February 2021 to review the unaudited quarterly financial results for the FYE 2020, so as to ensure that the financial statements were prepared in compliance with the Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting and Appendix 9B of Chapter 9 of the Listing Requirements. The Managing Director, Executive Director and Group Accountant were invited to attend the meeting to provide clarifications and information on audit issues and operations of the group.

The representatives of the External Auditors (“EA”), Crowe Malaysia PLT, and the representatives from the outsourced Internal Auditors, have also attended the meeting. The ARMC has also conducted an independent discussion session with EA in the absence of management in compliance with the Listing Requirements of Bursa Securities.

3. SUMMARY OF ACTIVITIES

The main activities carried out by the ARMC are summarized as below:

3.1 Review the Group’s financial reporting

- review of unaudited quarterly financial results, audited financial statements and annual report of the Group and the Company to ensure that financial statements are prepared in compliance to applicable Malaysian Financial Reporting Standards, prior to recommending for approval by the Board and release of the unaudited quarterly financial results to Bursa Securities.
- review of significant adjustments arising from audit, changes in accounting policies and practices, compliance with applicable financial reporting standard, listing requirements and other legal requirements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

3.2 External Audit

- review the audit plan, audit reports, external auditor's evaluation of system of internal control, issues arising from interim and final external audits, external auditor's management letter and management's response, with the external auditors, and report the same to the Boards;
- review the external auditor's terms of engagement, independence, objectivity, remuneration and cost-effectiveness and to make recommendations to the Board for the appointment, re-appointment or termination of the external auditors, and to consider any questions of resignation or dismissal including whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment.

3.3 Internal Control and Risk Management

- review the adequacy of the audit scope and coverage, functions, competency and resources of the internal audit function, internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken, performance of the internal audit function and appointment, termination or resignation of the internal auditors.
- review and assess the Company's policies, processes and procedures for the oversight and management of risks and internal control.
- review of key risks and identification and assessment of new key risks which may affect the Group directly or indirectly, and relevant actions to mitigate such risks if necessary.
- Review the adequacy and effectiveness of the enterprise risk management framework.

3.4 Related Party Transactions

- review the related party transactions and situations where a conflict of interest may arise within the Group or Company, including any transaction, procedure or course of conduct that raises questions of management integrity, and to consider the appropriateness of such transactions before recommending them to the Board for approval.

3.5 Others

- review of application of Corporate Governance principles and ensure that the Group is in compliance with the best practices set out under the Malaysian Code for Corporate Governance.
- Review and provide recommendation for Corporate Governance Overview Statements, Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis Statement, and the Sustainability Report to the Board for approval.
- Review the Anti-Bribery and Corruption Policy for Board's approval.
- Review of ordinary dividend payment for approval by the Board subsequently.
- Review the TOR from time to time.

Through the review and assessment by Nominating Committee, the Board was satisfied that the Audit and Risk Management Committee has effectively discharged its duties, functions and responsibilities in accordance with the Term of Reference.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(Cont'd)

4. INTERNAL AUDIT FUNCTION

Internal audit function provides ARMC independent review and assessment of the Group's approach in maintaining sound governance, risk management and internal control system as well as achieving effectiveness and efficiency in accordance with the Group's policies and prescribed laws and regulations. The Group has appointed an external independent consultant ("Internal Auditor" or "IA"), Tricor Axcelasia Sdn Bhd subsequent to the listing of Company on ACE Market of Bursa Securities on 23 February 2021. The internal auditors adopt a risk-based approach and performs its work as guided by, in all material respect, the International Professional Practices Framework (IPPF).

An Internal audit plan prepared for financial year 2021 has taken into consideration the corporate risk profile, input from key management of the Company and ARMC. The audit plan was approved by ARMC.

The professional fee proposed for the internal audit function for the financial year 2021 is RM25,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“the Board”) is pleased to provide the following Statement on Risk Management and Internal Control of the Group, which has been prepared in accordance with the paragraph 41 and 42 of the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers”. This statement outlines the nature and scope of internal control and risk management of the Group for the financial year ended 31 December 2020.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility to establish and maintain a sound system of risk management and internal control as well as review its adequacy and integrity to safeguard shareholders’ investment and the Group’s assets.

Notwithstanding that, in view of the inherent limitations in any system of risk management and internal control, this system is designed to manage the Group’s risks within an acceptable level, rather than eliminate the risk of failure to achieve the business objectives of the Group. Therefore, the system can only provide reasonable but not absolute assurance against material misstatement, financial loss or fraudulent activities.

During the financial year under review, the Board have reviewed the adequacy and effectiveness of the risk management and internal control system of the Group and concluded that the system has been operating adequately and effectively, in all material aspects.

RISK MANAGEMENT FRAMEWORK

Our Group recognise that commitment to risk management contributes to sound management practice and good corporate governance as it improves decision making and enhances outcomes and accountability. Our Group has engaged an external consultant for establishment of Enterprise Risk Management (“ERM”) Framework. The ERM framework is in line with ISO31000:2018 principles and generic guidelines on risk management covering the governance structure, risk policy, risk assessment process, integration of risk management into operations and promote of risk ownerships for accountability.

The Board approves and oversees the Group’s ERM Framework while Audit and Risk Management Committee (“ARMC”) are tasked to review the implementation of risk management process, provide guidance and monitor effectiveness of mitigation action plans taken by the Key Management on an on-going basis.

Risk assessments are conducted on various activities including processes, systems, operations and commercial activities to ensure that these are aligned with our objectives and goals. Any risks or opportunities arising from these assessments will be identified, analyzed and reported to the management. A risk register containing strategic, operational, financial and compliance risks of the business are maintained and reported on a yearly basis to the Board via ARMC. Review will be carried out to monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the Group.

The principal steps of managing the risks assessed in the risk register consists of:

- (a) Identifying the risks to achieving strategic and operational objectives;
- (b) Determining the risk owner;
- (c) Assessing the impact and likelihood of the risk before taking account of any existing controls to derive the gross risk;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

- (d) Determining and identifying the existing controls in place, and the effectiveness of such controls in managing the impact and likelihood of the risk;
- (e) Assessing the impact and likelihood of the risk after taking account of existing controls to derive the residual/net risk; and
- (f) Determining additional control improvements / management actions / mitigation plans to further manage the risk.

The ARMC reviews the Enterprise Risk Management framework and assessment prepared by the Key Management on 10 May 2021 prior to the presentation to the Board for approval.

The on-going risk management process of the Group to identify, evaluate and manage risks are in place for the year under review and up to the date of approval in this Statement. The Board shall continue to evaluate the Group's risk management process to ensure it remains relevant to the Group's requirements.

INTERNAL CONTROL FUNCTION

The Group has established and maintained an internal control system to ensure effective control over the Group's business operation and compliance with the statutory and regulatory requirements. The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated by the Board to the ARMC.

The Group fully aware the importance of internal control function and has outsourced its internal control function to an external independent consultant ("Internal Auditor" or "IA"), Tricor Axcelasia Sdn Bhd. The internal auditors assist the ARMC independently to assess the adequacy and effectiveness of the Group's internal control system.

The internal audit adopts a risk-based approach by focusing on:

- Reviewing identified high risks areas compliance with control policies and procedures; identifying business risks which have not been appropriately addressed; and
- Evaluating and improving the adequacy and effectiveness of controls.

The internal auditors prepare its internal audit strategies and plans for the ARMC's approval prior to execution of internal audit assessments. The internal auditors have documented key findings from the internal audit carried out and discussed with the management on the recommendation for internal control improvement. Internal auditors also review the extent to which its recommendations have been implemented by management. Internal Audit Reports summarise audit scope and approach, highlight audit findings together with Management's response are presented to the ARMC during the ARMC meeting. The ARMC reviews the audit issues and corrective actions taken by management to ensure significant findings especially control deficiencies are adequately addressed and rectified by management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system include:

- A well defined organisational structure with clear reporting line and delegation of authorities.
- A clearly defined operating procedures that set out the policies, procedures and practices adopted by the Group are properly documented and communicated to staff in order to ensure clear accountabilities. The formal standard operating policies and procedures in place are reviewed regularly and updated to ensure that it continue to support the business activities in tandem with the growth of the Group.
- Financial results are reviewed by the Board and the ARMC on a quarterly basis.
- Executive directors and head of departments meets regularly to discuss on the operational and corporate issues.
- The Board oversee the Group's activities and operations and significant changes in the business and external environment which may result in significant risks on a quarterly basis.
- Our subsidiary within the Group obtain ISO 9001: 2005 (Quality Management System) certificate which further strengthen the control environment and our ability to manufacture products that meet international quality management standards.
- Establish and implement the succession plan within the Group to identify and appoint the potential candidates to the middle management at all key functions to ensure sustainability. The plan provides career development opportunities for every employee.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed this statement on risk management and internal control in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 (Revised) issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the financial year ended 31 December 2020. AAPG 3 does not require the external auditors to consider whether the statement on risk management and internal control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditor also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that cause them to believe the Statement on Risk Management and Internal Control intended to be included in the Annual Report has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

CONCLUSION

The Board is of the view that the Group's risk management and internal control systems are satisfactory, there were no significant internal control deficiencies or weakness that has resulted in material losses or contingencies during the financial year under review. The Board has received assurance from the Managing Director and Group Accountant that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

The Group believe that the system must evolve continuously and will continuously monitor, and when necessary, put in place appropriate action plans to enhance the Group's internal control and risk management system to meet the changing and challenging business environment.

This Statement was approved by the Board on 10 May 2021.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The utilization of proceeds disclosed below should be read in conjunction with the Prospectus of the Company dated 3 February 2021. As at the date of this statement, the utilization of gross proceeds from the IPO amounting to RM13.80 million is outlined as follows:

Details of Use of Proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Amount RM'000	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾
(1) Capital expenditure				
(a) Construction of office and showroom (Phase 1B)	2,500	–	2,500	Within 24 months
(b) Construction of Factory Blocks B and C (Phase 2)	3,300	–	3,300	Within 24 months
(c) Purchase of machineries	1,300	–	1,300	Within 24 months
	7,100	–	7,100	
(2) Repayment of borrowings	1,800	1,800	–	Within 1 month
(3) Working capital ⁽²⁾	1,900	(1,998)	–	Within 1 month
(4) Estimated listing expenses ⁽²⁾	3,000	2,902	–	Within 1 month
	13,800	6,700	7,100	

Note:

⁽¹⁾ From the date of listing of the Company on the ACE Market of Bursa Securities on 23 February 2021.

⁽²⁾ The surplus amount to defray listing expenses were reallocated as working capital utilisation of the Group.

2. AUDIT AND NON-AUDIT FEES

The fees payable to the external auditors, Crowe Malaysia PLT in relation to the audit and non-audit services rendered to the Company and its subsidiary for FYE 2020 are as follows:

	The Company RM ('000)	The Group RM ('000)
Audit fees	30	100
Non audit fees	5	234

3. MATERIAL CONTRACTS

There was no material contract entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

In the course of preparing the annual financial statements for the Group and the Company, the Directors are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 (“the Act”) and Ace Market Listing Requirements of Bursa Securities.

It is the responsibility of the Directors to ensure that financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act. The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

The Board, after due consideration, is satisfied that the financial statements for the financial year ended 31 December 2020 have been prepared adopting appropriate accounting policies which are applied consistently, and based on that, the Board exercises reasonable and prudent judgement. The Board also considers that relevant approved accounting standards have been followed and confirms that the financial statements have been prepared on a going concern basis.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year/period ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

CONVERSION OF PRIVATE COMPANY TO PUBLIC COMPANY

The Company was incorporated in Malaysia on 6 February 2020 under the Companies Act 2016.

On 11 June 2020, the Company was converted from a private limited company to a public company limited by shares and assumed its present name of Mobilia Holdings Berhad.

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after tax for the financial year/period	8,655,130	(121,397)

DIVIDEND

No dividend was recommended by the directors for the financial period.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

Upon the date of incorporation, the Company issued a total paid-up share capital of RM 1 comprising 1 ordinary share.

During the financial period, the Company increased its issued and paid-up share capital from RM 1 to approximately RM 23,596,001 by way of an issuance of 339,999,999 new ordinary shares for a total consideration of approximately RM 23,596,000 as full payment for the acquisition of the entire issued and paid-up share capital of Mobilia International Sdn. Bhd.. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

During the financial period, there were no issues of debentures by the Company.

DIRECTORS' REPORT
(Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

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

DIRECTORS' REPORT

[Cont'd]

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

HOLDING COMPANY

The Company is a subsidiary of Exelient Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

DIRECTORS

The names of directors of the Company who served during the financial period and up to the date of this report are as follows:

Quek Wee Seng	(Appointed on 15.06.2020)
Quek Wee Seong	(Appointed on 15.06.2020)
Lim See Tow	(Appointed on 15.06.2020)
Datin Siah Li Mei	(Appointed on 15.06.2020)
Tajul Arifin Bin Mohd Tahir	(Appointed on 15.06.2020)
Quek Yan Song	(Appointed on 15.06.2020, alternate to Quek Wee Seng)
Abdul Hadi Bin Nordin	(Appointed on 06.02.2020 and resigned on 16.06.2020)

The names of directors of the Company's subsidiaries who served during the financial period until the date of this report are similar to those disclosed above.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares of the Company and its related corporations during the financial period are as follows:-

The Company		Date of incorporation	Number of Ordinary Shares		
			Bought	Sold	At 31.12.2020
Quek Wee Seng	- Direct	–	21,760,000	–	21,760,000
	- Indirect ⁽¹⁾	–	318,240,000	–	318,240,000
Quek Wee Seong	- Direct	–	21,760,000	–	21,760,000
	- Indirect ⁽²⁾	–	315,520,000	–	315,520,000
Abdul Hadi Bin Nordin	- Direct	1	–	1	–

Holding Company - Exelient Sdn. Bhd. ("ESB")

	At 1.1.2020	Number of Ordinary Shares		
		Bought	Sold	At 31.12.2020
Quek Wee Seng	1	500,000	–	500,001
Quek Wee Seong	1	500,000	–	500,001

Notes :

- (1) Deemed interest by virtue of his wife, Leong Yok Moy, his father, Quek Gim Hong @ Keh Gim Hong, his brother, Quek Wee Seong, Firstchrome Sdn. Bhd. and his direct interests in ESB.
- (2) Deemed interest by virtue of his father, Quek Gim Hong @ Keh Gim Hong, his brother, Quek Wee Seng, Firstchrome Sdn. Bhd. and his direct interests in ESB.

By virtue of their shareholdings in the Company and ESB, Quek Wee Seng and Quek Wee Seong are deemed to have interests in shares of the Company and its related corporations during the financial period to the extent that ESB has an interest, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial period had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the date of incorporation, no director has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 31 to the financial statements.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT
(Cont'd)

DIRECTORS' REMUNERATION

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 23 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial period, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The significant events during the financial period are disclosed in Note 35 to the financial statements.

SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The details of the auditors' remuneration are disclosed in Note 26 to the financial statements. Signed in accordance with a resolution of the directors dated 10 May 2021.

Quek Wee Seng

Quek Wee Seong

STATEMENT BY DIRECTORS

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

We, Quek Wee Seng and Quek Wee Seong, being two of the directors of Mobilia Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 44 to 95 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 of 31 December 2020 and of their financial performance and cash flows for the financial year/period ended on that date.

Signed in accordance with a resolution of the directors dated 10 May 2021.

Quek Wee Seng

Quek Wee Seong

STATUTORY DECLARATION

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

I, Quek Wee Seng, being the director primarily responsible for the financial management of Mobilia Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 95 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Quek Wee Seng at Muar in the
Johor Darul Takzim on 10 May 2021

Quek Wee Seng

Before me

Lim Pei Ling (No. J238)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MOBILIA HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mobilia Holdings Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year/period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 95.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and their financial performance and their cash flows for the financial year/period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountant's *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.

Key Audit Matters

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

We have determined the matter described below to be the key audit matter to be communicated in our report.

Carrying amount of inventories Refer to Note 11 to the financial statements	
Key audit matter	How our audit addressed the key audit matter
The Group held inventories with carrying amount of RM 9,796,535 as at 31 December 2020. The carrying amount of inventories is stated at the lower of cost and net realisable value. According to the Group's inventory write-down policy, the Group determines the amount of write-down for slow moving or obsolete inventories based upon the age of the slow moving inventories.	Our procedures included, amongst others:- - Comparing the net realisable value to the cost of inventories at the end of the reporting period to assess the reasonableness of inventories write-down. - Performing test on the inventory ageing report to ensure inventories were grouped into the appropriate age bracket. - Reviewing the consistency of inventory write-down by checking such write-down against the corresponding age profile of inventories according to the group policy.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MOBILIA HOLDINGS BERHAD
(Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of 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 misstatements, 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 or 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 intends to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MOBILIA HOLDINGS BERHAD
(Cont'd)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year/period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations precludes public communication in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ng Kim Kiat
02074/10/2022J
Chartered Accountant

Muar, Johor Darul Takzim
Date: 10 May 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	The Group 31.12.2020 RM	31.12.2019 RM	The Company 31.12.2020 RM
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7	37,113,586	34,320,748	–
Right-of-use assets	8	1,974,845	2,293,167	–
Investment in subsidiaries	9	–	–	23,596,000
Quoted investment	10	–	72,500	–
		39,088,431	36,686,415	23,596,000
CURRENT ASSETS				
Inventories	11	9,796,535	6,518,924	–
Trade receivables	12	8,427,159	4,647,192	–
Other receivables, deposits and prepayments	13	2,569,061	2,002,813	74,369
Current tax assets		339,104	–	–
Fixed deposits with a licensed bank	14	3,541,388	2,129,212	–
Cash and bank balances		10,531,865	6,318,757	1
		35,205,112	21,616,898	74,370
TOTAL ASSETS		74,293,543	58,303,313	23,670,370
EQUITY AND LIABILITIES				
EQUITY				
Share capital	15	23,596,001	1,250,000	23,596,001
Merger deficit	16	(22,496,000)	(150,000)	–
Retained profits/(Accumulated losses)		31,132,940	22,477,810	(121,397)
TOTAL EQUITY		32,232,941	23,577,810	23,474,604
NON-CURRENT LIABILITIES				
Bank borrowings	17	18,994,948	15,365,440	–
Lease liabilities	18	1,229,866	1,426,320	–
Deferred tax liabilities	19	1,530,000	1,058,000	–
		21,754,814	17,849,760	–
CURRENT LIABILITIES				
Trade payables	20	5,369,284	5,068,653	–
Other payables and accruals	21	6,017,024	5,551,612	195,766
Bank borrowings	17	8,459,736	5,165,721	–
Lease liabilities	18	459,744	532,855	–
Current tax liabilities		–	556,902	–
		20,305,788	16,875,743	195,766
TOTAL LIABILITIES		42,060,602	34,725,503	195,766
TOTAL EQUITY AND LIABILITIES		74,293,543	58,303,313	23,670,370

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020

		The Group		The Company
		01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM	06.02.2020 to 31.12.2020 RM
	Note			
REVENUE	22	76,404,081	75,589,255	–
OTHER INCOME		627,702	637,154	–
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		981,177	144,734	–
RAW MATERIALS USED		(39,291,261)	(38,568,673)	–
DEPRECIATION		(1,962,279)	(1,731,512)	–
STAFF COSTS	24	(16,937,866)	(16,543,214)	(58,500)
OTHER EXPENSES		(10,279,186)	(8,692,408)	(62,897)
RESULTS FROM OPERATING ACTIVITIES		9,525,632	10,835,336	(121,397)
INTEREST INCOME		114,400	191,008	–
PROFIT/(LOSS) BEFORE TAX	26	9,656,768	11,026,344	(121,397)
INCOME TAX EXPENSE	27	(1,001,638)	(2,606,992)	–
PROFIT/(LOSS) AFTER TAX AND TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR/PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		8,655,130	8,419,352	(121,397)
EARNINGS PER SHARE (RM)				
Basic	28	0.03	0.02	
Diluted		N.A	N.A	

Note:

N.A - Not applicable. There are no dilutive potential equity instruments that would effect to the basic earnings per share.

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020

	Note	Share capital RM	Non Distributable Merger deficit RM	Distributable Retained profits RM	Total equity RM
The Group					
Balance at 1 January 2019		1,250,000	(150,000)	21,558,458	22,658,458
Profit after tax and total comprehensive income for the financial year		–	–	8,419,352	8,419,352
Distributions to owners of the Company - Dividends	29	–	–	(7,500,000)	(7,500,000)
Balance at 31 December 2019 / 1 January 2020		1,250,000	(150,000)	22,477,810	23,577,810
Profit after tax and total comprehensive income for the financial year		–	–	8,655,130	8,655,130
Contribution and distributions to owners of the Company - Incorporation of the Company		1	–	–	1
- Issuance of shares for the acquisition of subsidiaries		23,596,000	–	–	23,596,000
- Adjustment on the acquisition of subsidiaries		(1,250,000)	(22,346,000)	–	(23,596,000)
Balance at 31 December 2020		23,596,001	(22,496,000)	31,132,940	32,232,941

	Note	Share capital RM	Distributable Accumulated losses RM	Total equity RM
The Company				
Balance at 06 February 2020 (Date of incorporation)		1	–	1
Loss after tax and total comprehensive expenses for the financial period		–	(121,397)	(121,397)
Contribution by owners of the Company - Issuance of shares for the acquisition of subsidiaries		23,596,000	–	23,596,000
Balance at 31 December 2020		23,596,001	(121,397)	23,474,604

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020

	The Group		The Company
	01.01.2020	01.01.2019	06.02.2020
	to	to	to
	31.12.2020	31.12.2019	31.12.2020
Note	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax	9,656,768	11,026,344	(121,397)
Adjustments for:			
Depreciation of property, plant and equipment	1,617,483	934,225	–
Depreciation of right-of-use assets	344,796	797,287	–
Deposits forfeited	(28,610)	–	–
Dividend income from quoted investment	(1,250)	(1,250)	–
Gain on disposal of quoted investment	(16,736)	–	–
Listing expenses	1,108,776	202,957	20,563
Loss/(Gain) on disposal of property, plant and equipment	17,299	(2,751)	–
Property, plant and equipment written off	206,126	94,690	–
Unrealised loss on foreign exchange	148,345	5,669	–
Interest expenses	999,339	674,970	–
Interest income	(114,400)	(191,008)	–
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	13,937,936	13,541,133	(100,834)
Inventories	(3,277,611)	(1,504,488)	–
Trade receivables	(3,779,967)	1,599,443	–
Other receivables, deposits and prepayments	(566,248)	(90,268)	(74,369)
Trade payables	300,631	405,235	–
Other payables and accruals	1,693,339	321,345	195,766
CASH FROM OPERATIONS	8,308,080	14,272,400	20,563
Interest received	114,400	191,008	–
Tax refund	–	921,385	–
Tax paid	(1,425,644)	(2,095,795)	–
NET CASH FROM OPERATING ACTIVITIES	6,996,836	13,288,998	20,563

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

		The Group	The Company	
		01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM	06.02.2020 to 31.12.2020 RM
	Note			
CASH FLOWS FOR INVESTING ACTIVITIES				
Addition of right-of-use assets	30(a)	–	(106,000)	–
Dividend received from quoted investment		1,250	1,250	–
Purchase of property, plant and equipment	30(a)	(5,727,263)	(15,967,729)	–
Proceeds from disposal of quoted investment		89,236	–	–
Proceeds from disposal of property, plant and equipment		32,000	25,000	–
NET CASH FOR INVESTING ACTIVITIES				
		(5,604,777)	(16,047,479)	–
CASH FLOWS FROM/(FOR)FINANCING ACTIVITIES				
Interest paid		(999,339)	(674,970)	–
Dividends paid	29	–	(7,500,000)	–
Drawdown of bankers' acceptances	30(b)	17,545,999	16,157,393	–
Drawdown of term loans	30(b)	4,423,713	11,777,656	–
Net decrease in fixed deposit pledged		72,050	–	–
Payment of listing expenses		(1,246,576)	(65,157)	(20,563)
Proceeds from issuance of ordinary shares		1	–	1
Refinance of lease liabilities	30(b)	–	1,088,861	–
Repayment of bankers' acceptances	30(b)	(14,561,679)	(15,668,623)	–
Repayment of lease liabilities	30(b)	(296,039)	(896,749)	–
Repayment of term loans	30(b)	(484,510)	(653,053)	–
NET CASH FROM/(FOR) FINANCING ACTIVITIES				
		4,453,620	3,565,358	(20,562)
NET INCREASE IN CASH AND CASH EQUIVALENTS				
		5,845,679	806,877	1
EFFECTS OF FOREIGN EXCHANGE TRANSLATION				
		(148,345)	(5,669)	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD				
		8,375,919	7,574,711	–
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD				
	30(d)	14,073,253	8,375,919	1

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:

Registered office	:	No. 7 (1st Floor) Jalan Pesta 1/1 Taman Tun Dr. Ismail 1 Jalan Bakri 84000 Muar Johor Darul Takzim
Principal place of business	:	No. 1201, Jalan Jeram Masjid Bakri 84200 Muar Johor Darul Takzim

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 10 May 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

3. CONVERSION OF PRIVATE COMPANY TO PUBLIC COMPANY

The Company was incorporated in Malaysia on 6 February 2020 under the Companies Act 2016.

On 23 February 2021, the Company was converted from a private limited company to a public company limited by shares and assumed its present name of Mobilia Holdings Berhad.

4. HOLDING COMPANY

The Company is a subsidiary of Exelient Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

5. BASIS OF PREPARATION

These are the Company's first set of financial statements since its date of incorporation.

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

5.1 During the current financial period, the Group has adopted all the MFRSs that were effective on or before the date of incorporation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

5. BASIS OF PREPARATION (CONT'D)

- 5.2 The Group has not applied in advance the following accounting standards and/or interpretation (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

MFRSs and/or IC Interpretations (including the Consequential Amendments)		Effective date
MFRS 17	: Insurance Contracts	1 January 2023
Amendments to MFRS 3	: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16	: Covid-19-Related Rent Concessions	1 June 2020
Amendment to MFRS 16	: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17	: Insurance Contracts	1 January 2023
Amendment to MFRS 101	: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 116	: Property, Plant and Equipment - Proceeds Before Intended Use	1 January 2022
Amendments to MFRS 137	: Onerous Contract – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020		1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the Covid-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the Covid-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(ii) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(iii) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales (including changes in the customer payment profile in response to the Covid-19 pandemic) and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 12 to the financial statements.

(iv) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimates. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets or liabilities of the Group and of the Company as at the reporting date are current tax assets of RM 339,104 and RM Nil (31.12.2019: current tax liabilities of RM 556,902 and RM Nil) respectively.

Critical Judgement Made in Applying Accounting Policies

In the process of applying the Group's accounting policies, the management is not aware of any judgements that have significant effects on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgement Made in Applying Accounting Policies (Cont'd)

There are also no assumptions concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiary to ensure consistency of accounting policies with those of the Group.

6.2.1 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

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

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(a) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statements of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.2 BASIS OF CONSOLIDATION (CONT'D)

6.2.1 Business Combination (Cont'd)

(b) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(c) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

6.2.2 Business Combination under Common Control

A business combination involving entity under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reverse as applicable. The results of the subsidiaries being merged are included for the full financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.3 FUNCTIONAL AND FOREIGN CURRENCY

(i) Functional and Presentation Currency

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.

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

(ii) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition using exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

6.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.5 INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries is stated at cost in the statements of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

On the disposal of the investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

6.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. The principal annual rates used for this purpose are:

Buildings	2% - 10%
Office equipment, renovation, furniture and fittings	10% - 20%
Factory equipment, plant and machinery	10%
Motor vehicles	20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in accounting estimate.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.7 LEASES

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

6.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price, conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

6.10 IMPAIRMENT

(i) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.10 IMPAIRMENT (CONT'D)

(ii) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

6.11 EMPLOYEE BENEFITS

(i) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

6.12 INCOME TAXES

(i) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.12 INCOME TAXES (CONT'D)

(ii) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

6.13 OPERATING SEGMENTS

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 relates 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.

6.14 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributed to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible preference shares and share options granted to employee.

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.15 BORROWING COSTS

Borrowing costs are directly recognised as expenses in profit or loss in the period in which they are incurred by using effective interest method.

6.16 FAIR VALUE MEASUREMENTS

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

6.17 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

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

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.17 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

Sale of furniture and furniture parts

Revenue from sale of furniture and furniture parts are recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

6.18 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(i) Dividend Income

Dividend income from investments is recognised when the shareholders' rights to receive dividend payment is established.

(ii) Interest Income

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

NOTES TO THE FINANCIAL STATEMENTS
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7. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Buildings RM	Office equipment, renovation, furniture and fittings RM	Factory equipment, plant and machineries RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
At cost							
At 1 January 2020	12,423,158	57,738	607,180	8,522,970	1,300,674	16,031,015	38,942,735
Additions	-	236,167	41,814	564,840	318,000	3,504,925	4,665,746
Reclassification	-	15,355,343	-	3,735,220	-	(19,090,563)	-
Disposals	-	-	-	(52,900)	(25,000)	-	(77,900)
Write off	-	-	(4,800)	(285,098)	-	-	(289,898)
At 31 December 2020	12,423,158	15,649,248	644,194	12,485,032	1,593,674	445,377	43,240,683
Less : Accumulated depreciation							
At 1 January 2020	-	30,337	397,290	3,269,714	924,646	-	4,621,987
Charge for the financial year	-	235,726	64,024	1,151,966	165,767	-	1,617,483
Disposals	-	-	-	(14,851)	(13,750)	-	(28,601)
Write off	-	-	(3,666)	(80,106)	-	-	(83,772)
At 31 December 2020	-	266,063	457,648	4,326,723	1,076,663	-	6,127,097
Carrying amount							
At 31 December 2020	12,423,158	15,383,185	186,546	8,158,309	517,011	445,377	37,113,586

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

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

The Group	Freehold land RM	Buildings RM	Office equipment, renovation, furniture and fittings RM	Factory equipment, plant and machineries RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
At cost							
At 1 January 2019	12,423,158	87,549	587,190	7,495,275	1,109,674	1,461,345	23,164,191
Additions	-	-	24,711	2,409,502	232,000	14,569,670	17,235,883
Reclassification	-	-	-	(1,214,459)	-	-	(1,214,459)
Disposals	-	-	-	(44,711)	(38,000)	-	(82,711)
Write off	-	(29,811)	(4,721)	(122,637)	(3,000)	-	(160,169)
At 31 December 2019	12,423,158	57,738	607,180	8,522,970	1,300,674	16,031,015	38,942,735
Less : Accumulated depreciation							
At 1 January 2019	-	27,012	327,868	2,734,253	775,663	-	3,864,796
Charge for the financial year	-	4,816	73,662	665,815	189,932	-	934,225
Reclassification	-	-	-	(51,093)	-	-	(51,093)
Disposals	-	-	-	(22,463)	(37,999)	-	(60,462)
Write off	-	(1,491)	(4,240)	(56,798)	(2,950)	-	(65,479)
At 31 December 2019	-	30,337	397,290	3,269,714	924,646	-	4,621,987
Carrying amount							
At 31 December 2019	12,423,158	27,401	209,890	5,253,256	376,028	16,031,015	34,320,748

NOTES TO THE FINANCIAL STATEMENTS
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7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The following property, plant and equipment have been pledged to a licensed bank as security for banking facilities granted to the Group (Note 17):

	The Group	
	31.12.2020	31.12.2019
	RM	RM
Carrying amount		
Freehold land	12,423,158	12,423,158
Buildings	15,383,185	–
Capital work-in-progress	445,377	12,295,795
	28,251,720	24,718,953

- (b) Certain motor vehicle and a parcel of freehold land are held in trust and registered in the name of a shareholder as follows:

	The Group	
	31.12.2020	31.12.2019
	RM	RM
Carrying amount		
Motor vehicle	–	1
Freehold land	–	2,700,720
	–	2,700,721

- (c) There is no property, plant and equipment in the Company throughout the current financial period.

8. RIGHT-OF-USE ASSETS

The Group

	Office and showroom RM	Factory RM	Motor vehicles RM	Factory equipment, plant and machineries RM	Total RM
At 1 January 2019	–	432,342	170,055	918,691	1,521,088
Additions	–	–	406,000	–	406,000
Reclassification	–	–	–	1,163,366	1,163,366
Depreciation	–	(412,840)	(164,570)	(219,877)	(797,287)
At 31 December 2019 / 1 January 2020	–	19,502	411,485	1,862,180	2,293,167
Additions	26,474	–	–	–	26,474
Depreciation	(6,017)	(19,502)	(99,400)	(219,877)	(344,796)
At 31 December 2020	20,457	–	312,085	1,642,303	1,974,845

NOTES TO THE FINANCIAL STATEMENTS
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[Cont'd]

8. RIGHT-OF-USE ASSETS (CONT'D)

The Group leases certain office and showroom, factory, motor vehicles and factory equipment, plant and machineries with terms and conditions being summarised below:

- | | | |
|-----|--|---|
| (a) | Office and showroom | The Group has leased a office and showroom that run for 2 years, with an option to renew the lease after that date. |
| (b) | Factory | The Group has leased a number of factory that run between 1 year and 2 years, with an option to renew the lease after that date. |
| (c) | Motor vehicles | The Group has leased certain motor vehicles under hire purchase instalment plans with 5 (31.12.2019: 5) years lease terms. At the end of the lease term, the Group has the option to purchase the assets at an insignificant amount. The leases bear effective annual interest rates at 4.44% (31.12.2019: 4.44% - 4.50%) and are secured by the leased assets. |
| (d) | Factory equipment, plant and machineries | The Group has leased certain factory equipment, plant and machineries under hire purchase instalment plans with 5 (31.12.2019: 5) years lease terms. At the end of the lease term, the Group has the option to purchase the assets at an insignificant amount. The leases bear effective annual interest rates at 7.33% (31.12.2019: 6.00%) and are secured by the leased assets. |

9. INVESTMENT IN SUBSIDIARIES

	The Company 31.12.2020 RM
At cost	
Unquoted shares	23,596,000

Name of subsidiary	Principal place of business/country of incorporation	Percentage of issued share capital held by parent 31.12.2020 %	Principal activities
Subsidiary of the Company			
Mobilia International Sdn. Bhd. ("MISB")	Malaysia	100	Investment holding, design, manufacturing and sale of furniture and furniture parts.
Subsidiary of MISB			
Mobilia Design Sdn. Bhd.	Malaysia	100	Ceased business operations since 1 April 2020 and commenced members' voluntary winding up on 12 June 2020.

NOTES TO THE FINANCIAL STATEMENTS
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10. QUOTED INVESTMENT

	The Group	
	31.12.2020	31.12.2019
	RM	RM
Quoted shares in Malaysia, at fair value	–	72,500

During the financial year, the Group disposed of its investment in quoted shares for RM 89,236 and realised a gain of RM 16,736.

11. INVENTORIES

	The Group	
	31.12.2020	31.12.2019
	RM	RM
Raw materials	6,005,092	3,708,658
Work-in-progress	2,323,333	1,728,364
Finished goods	1,468,110	1,081,902
	9,796,535	6,518,924
Recognised in profit or loss:		
Inventories recognised as cost of sales	38,310,084	38,423,939

12. TRADE RECEIVABLES

The Group's normal trade terms granted to customers range from cash term to 90 days credit (31.12.2019: cash term to 90 days credit).

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	The Group	The Company
	31.12.2020	31.12.2019	31.12.2020
	RM	RM	RM
Deposits	758,900	824,871	–
Prepayments	928,746	490,428	74,369
Supplier deposits	873,334	415,081	–
Goods and services tax recoverable	–	218,993	–
Sundry receivables	8,081	53,440	–
	2,569,061	2,002,813	74,369

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

14. FIXED DEPOSITS WITH A LICENSED BANK

- (a) Included in the fixed deposits with a licensed bank of the Group at the end of the reporting period is the following amount which has been pledged to a licensed bank as security for bank guarantee:

	The Group	
	31.12.2020	31.12.2019
	RM	RM
Fixed deposit with a licensed bank	–	72,050

- (b) Its related interest rate and maturity period are as follows:

	The Group	
	31.12.2020	31.12.2019
Effective annual interest rates (%)	1.45	3.20
Maturity period (month)	1	1

15. SHARE CAPITAL

	The Company	
	31.12.2020	
	Number of	RM
	Shares	
Issued and fully paid-up		
Ordinary shares		
At 6 February 2020 (Date of incorporation)	1	1
Issuance of shares	339,999,999	23,596,000
At 31 December	340,000,000	23,596,001

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial period, the Company increased its issued and paid-up share capital from RM 1 to approximately RM 23,596,001 by way of an issuance of 339,999,999 new ordinary shares for a total consideration of approximately RM 23,596,000 as full payment for the acquisition of the entire issued and paid-up share capital of Mobilia International Sdn. Bhd.. The new ordinary shares issued rank pari passu in all respect with the existing ordinary shares of the Company.

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(Cont'd)

16. MERGER DEFICIT

The merger deficit arise from the difference between the carrying value of the investment and the nominal value of shares of a direct subsidiary upon consolidation under the merger accounting principles.

17. BANK BORROWINGS

	The Group	
	31.12.2020	31.12.2019
	RM	RM
Current liabilities		
Secured - Bankers' acceptances	6,025,236	3,040,916
- Term loans	2,434,500	2,124,805
	8,459,736	5,165,721
Non-current liability		
Secured - Term loans	18,994,948	15,365,440
	27,454,684	20,531,161
Total bank borrowings		
Secured - Bankers' acceptances	6,025,236	3,040,916
- Term loans	21,429,448	17,490,245
	27,454,684	20,531,161

(a) The bank borrowings are secured by the followings:

- (i) Freehold land and buildings of the Group (Note 7(a));
- (ii) Land held under the name of a shareholder;
- (iii) Joint and several guarantee by certain directors; and
- (iv) Personal guarantee by a director.

(b) The bank borrowings of the Group at the end of the reporting period bear effective annual interest rates as follows:

	The Group	
	31.12.2020	31.12.2019
	%	%
Bankers' acceptances	1.86 - 2.02	3.37 - 3.46
Term loans	3.19 - 6.35	3.19 - 6.35

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(Cont'd)

18. LEASE LIABILITIES

	The Group	
	31.12.2020	31.12.2019
	RM	RM
At 1 January	1,959,175	1,467,063
New lease liabilities (Note 30(a))	26,474	300,000
Refinance of lease liabilities (Note 30(b))	–	1,088,861
Interest expense recognised in profit or loss (Note 25)	69,599	127,333
Repayment of principal	(296,039)	(896,749)
Repayment of interest expense	(69,599)	(127,333)
At 31 December	1,689,610	1,959,175
Analysed by:		
Current liabilities	459,744	532,855
Non-current liabilities	1,229,866	1,426,320
	1,689,610	1,959,175

The lease liabilities of the Group at the end of the reporting period bear effective annual interest rates as follows:

	The Group	
	31.12.2020	31.12.2019
	%	%
Effective annual interest rates	4.44 - 7.33	4.44 - 6.00

19. DEFERRED TAX LIABILITIES

	The Group	
	31.12.2020	31.12.2019
	RM	RM
At 1 January	1,058,000	996,000
Recognised in profit or loss (Note 27)	472,000	62,000
At 31 December	1,530,000	1,058,000

20. TRADE PAYABLES

The normal trade terms granted to the Group by suppliers range from cash term to 45 days credit (31.12.2019: cash term to 45 days credit).

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

21. OTHER PAYABLES AND ACCRUALS

	The Group	The Group	The Company
	31.12.2020	31.12.2019	31.12.2020
	RM	RM	RM
Amount owing to directors	180,942	–	6,896
Amount owing to a subsidiary	–	–	155,870
Accruals	2,550,763	2,268,372	33,000
Customer deposits	2,411,559	1,239,654	–
Goods and services tax payable	44,761	8,996	–
Sundry payables	828,999	2,034,590	–
	6,017,024	5,551,612	195,766

(a) The amount owing to directors and subsidiary are unsecured, interest-free and repayable on demand.

(b) Included in sundry payables of the Group is an amount payable for the purchase of property, plant and equipment (Note 30(a)) as follows:

	The Group	The Group
	31.12.2020	31.12.2019
	RM	RM
Purchase of property, plant and equipment	127,650	1,268,154

22. REVENUE

Revenue of the Group comprises the followings:

	The Group	The Group
	01.01.2020	01.01.2019
	to	to
	31.12.2020	31.12.2019
	RM	RM
Revenue from contracts with customers		
<u>Recognised at a point in time</u>		
Sales of furniture and furniture parts	76,404,081	75,589,255

The sales of furniture and furniture parts are further disaggregated according to geographical region in Note 32(b).

NOTES TO THE FINANCIAL STATEMENTS
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23. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year/period are as follows:

	The Group	The Group	The Company
	01.01.2020	01.01.2019	06.02.2020
	to	to	to
	31.12.2020	31.12.2019	31.12.2020
	RM	RM	RM
(a) Directors			
Executive Directors:-			
Salaries, bonuses and other benefits	894,085	880,091	–
Defined contribution plan	107,434	104,469	–
	1,001,519	984,560	–
Non-executive Directors:-			
Fees	58,500	–	58,500
Total directors' remuneration	1,060,019	984,560	58,500
Estimated monetary value of benefits-in-kind	28,000	28,000	–
(b) Other key management personnel			
Salaries, bonuses and other benefits	648,970	610,794	–
Defined contribution plan	77,267	72,477	–
Total compensation for other key management personnel	726,237	683,271	–
Estimated monetary value of benefits-in-kind	4,800	4,800	–

NOTES TO THE FINANCIAL STATEMENTS
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(Cont'd)

24. STAFF COSTS

	The Group 01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM	The Company 06.02.2020 to 31.12.2020 RM
Key management personnel compensation (excluding benefits-in-kind)	1,786,256	1,667,831	58,500
Other staff costs			
Salaries, bonuses and other benefits	14,781,071	14,530,674	–
Defined contribution plan	370,539	344,709	–
	15,151,610	14,875,383	–
	16,937,866	16,543,214	58,500

25. FINANCE COSTS

	The Group 01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM
Interest on:		
Bankers' acceptances	177,754	137,596
Lease liabilities	69,599	127,333
Term loans	751,986	410,041
	999,339	674,970
Bankers' acceptances charges	26,203	27,359
	1,025,542	702,329

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26. PROFIT/(LOSS) BEFORE TAX

	The Group	The Group	The Company
	01.01.2020	01.01.2019	06.02.2020
	to	to	to
	31.12.2020	31.12.2019	31.12.2020
	RM	RM	RM
This is arrived at after charging:			
Auditors' remuneration			
- audit fees	100,000	63,000	30,000
- non-audit fees	234,000	–	5,000
Depreciation of property, plant and equipment	1,617,483	934,225	–
Depreciation of right-of-use assets	344,796	797,287	–
Incorporation fee	–	–	3,116
Listing expenses	1,108,776	202,957	20,563
Loss on disposal of property, plant and equipment	17,299	–	–
Loss on foreign exchange:			
- realised	–	11,371	–
- unrealised	148,345	5,669	–
Rental expenses:			
- factory	2,400	–	–
- hostel	4,870	–	–
Short-term lease of factory	209,256	435,984	–
Property, plant and equipment written off	206,126	94,690	–
And crediting:			
Deposit forfeited	(28,610)	–	–
Dividend income from quoted investment	(1,250)	(1,250)	–
Gain on disposal of property, plant and equipment	–	(2,751)	–
Gain on disposal of quoted investment	(16,736)	–	–
Realised gain on foreign exchange	(489,455)	(488,571)	–
Interest income	(114,400)	(191,008)	–

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27. INCOME TAX EXPENSE

	The Group 01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM
Current tax expense	819,398	2,422,000
- (Over)/Underprovision in previous financial year	(289,760)	122,992
	529,638	2,544,992
Deferred tax (Note 19):		
- Origination of temporary differences	491,000	24,000
- (Over)/Underprovision in previous financial year	(19,000)	38,000
	472,000	62,000
	1,001,638	2,606,992

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

	The Group 01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM
Profit before tax	9,656,768	11,026,344
Tax at statutory income tax rate	2,256,000	2,611,000
Tax effect of non-deductible expense	529,398	177,000
Tax effect of non-taxable income	(6,000)	-
Utilisation of tax incentive	(1,469,000)	(342,000)
(Over)/Underprovision in previous financial year:		
- current tax expense	(289,760)	122,992
- deferred tax expense	(19,000)	38,000
	1,001,638	2,606,992

The income tax rate of the Group of the chargeable income is 24% for year of assessment 2020.

The income tax rate of the Group on the first RM 500,000 of the chargeable income and on the balance of the chargeable income is 17% and 24% respectively for year of assessment 2019.

There is no income tax expense for the Company due to loss incurred for the current financial period.

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28. EARNINGS PER SHARES

	The Group	
	31.12.2020	31.12.2019
Profit after tax attributable to owners of the Group (RM)	8,655,130	8,419,352
Weighted average number of ordinary shares in issues	340,000,000	340,000,000 *
Basic earnings per share (RM)	0.03	0.02

* In the calculation of earnings per share for the financial year ended 31 December 2019. It is assumed 340,000,000 ordinary shares were in issue as the acquisition of subsidiaries was accounted for under the merger method of accounting.

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

29. DIVIDENDS

	The Group	
	01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM
In respect of financial year ended 31 December 2019		
First interim dividend of 120 sen per ordinary share	–	1,500,000
Second interim dividend of 200 sen per ordinary share	–	2,500,000
Third interim dividend of 280 sen per ordinary share	–	3,500,000
	–	7,500,000

30. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:

	The Group	
	01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 7)	4,665,746	17,235,883
Cash paid in respect of acquisition in previous financial year	1,189,167	–
Unpaid balances included in sundry payables (Note 21)	(127,650)	(1,268,154)
Cash paid during the financial year	5,727,263	15,967,729

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30. CASH FLOW INFORMATION (CONT'D)

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows: (Cont'd)

	The Group	
	01.01.2020	01.01.2019
	to	to
	31.12.2020	31.12.2019
	RM	RM
Right-of-use assets		
Cost of right-of-use assets acquired (Note 8)	26,474	406,000
Addition of new lease liabilities (Note (b) below)	(26,474)	(300,000)
Cash paid during the financial year	–	106,000

- (b) The reconciliation of liabilities arising from financing activities are as follows:

The Group

	Term loans	Bankers'	Lease	Total
	RM	acceptances	liabilities	RM
	RM	RM	RM	RM
At 1 January 2020	17,490,245	3,040,916	1,959,175	22,490,336
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	4,423,713	17,545,999	–	21,969,712
Repayment of borrowing principal	(484,510)	(14,561,679)	(296,039)	(15,342,228)
Repayment of borrowing interest	(751,986)	(177,754)	(69,599)	(999,339)
	3,187,217	2,806,566	(365,638)	5,628,145
<u>Non-cash changes</u>				
Acquisition of new lease	–	–	26,474	26,474
Finance charges recognised in profit or loss	751,986	177,754	69,599	999,339
	751,986	177,754	96,073	1,025,813
At 31 December 2020	21,429,448	6,025,236	1,689,610	29,144,294

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30. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows: (Cont'd)

The Group

	Term loans RM	Bankers' acceptances RM	Lease liabilities RM	Total RM
At 1 January 2019	6,365,642	2,552,146	1,467,063	10,384,851
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	11,777,656	16,157,393	–	27,935,049
Refinance of lease liabilities	–	–	1,088,861	1,088,861
Repayment of borrowing principal	(653,053)	(15,668,623)	(896,749)	(17,218,425)
Repayment of borrowing interest	(410,041)	(137,596)	(127,333)	(674,970)
	10,714,562	351,174	64,779	11,130,515
<u>Non-cash changes</u>				
Acquisition of new lease	–	–	300,000	300,000
Finance charges recognised in profit or loss	410,041	137,596	127,333	674,970
	410,041	137,596	427,333	974,970
At 31 December 2019	17,490,245	3,040,916	1,959,175	22,490,336

(c) The total cash outflow for leases as a lessee are as follows:

	The Group	
	01.01.2020 to 31.12.2020 RM	01.01.2019 to 31.12.2019 RM
Payment of short-term leases	209,256	435,984
Payment of lease liabilities	296,039	896,749
Interest paid on lease liabilities	69,599	127,333
	574,894	1,460,066

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30. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:

	The Group	The Company
	01.01.2020	01.01.2019
	to	to
	31.12.2020	31.12.2019
	RM	RM
Fixed deposits with a licensed bank	3,541,388	2,129,212
Cash and bank balances	10,531,865	6,318,757
	14,073,253	8,447,969
Less : Fixed deposit pledged to a licensed bank	–	(72,050)
	14,073,253	8,375,919

31. RELATED PARTY DISCLOSURES**(a) Identities of Related Parties**

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors and entities within the same group of companies.

(b) Significant Related Parties Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:

	The Group
	01.01.2020
	to
	31.12.2020
	RM
Related party	
Rental expenses	60,000
Purchase of property, plant and equipment	110,000
Directors	
Rental expenses	21,756
Shareholder	
Rental expenses	95,340

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(Cont'd)

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Parties Transactions and Balances (Cont'd)

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Compensation of Key Management Personnel

Key management personnel (include Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Group and of the Company) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. Details of the compensation for these key management personnel are disclosed in Note 23 to the financial statements.

32. OPERATING SEGMENTS

(a) Business Segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely furniture manufacturing.

(b) Geographical Information

In presenting the information on the basis of geographical segments, segmental information on non-current assets is not presented, as all non-current assets are located in Malaysia.

Segmental revenue is presented based on the geographical location of customers.

	The Group	
	01.01.2020	01.01.2019
	to	to
	31.12.2020	31.12.2019
	RM	RM
Asia (excluding Malaysia)	11,928,936	16,240,378
Australasia	739,754	679,892
Europe	5,970,215	8,702,223
East Africa	–	99,034
North America	35,264,475	21,892,541
North Africa	–	118,027
South America	685,150	2,438,368
Malaysia	21,815,551	25,418,792
	76,404,081	75,589,255

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32. OPERATING SEGMENTS (CONT'D)**(c) Major Customers**

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

	31.12.2020	The Group 31.12.2019
	RM	RM
Customer A	15,371,604	20,582,285
Customer B	14,756,468	8,868,989

33. CAPITAL COMMITMENT

	31.12.2020	The Group 31.12.2019
	RM	RM
Construction of factory building	8,600,000	11,700,000
Purchase of property, plant and equipment	85,400	12,600
	8,685,400	11,712,600

34. FINANCIAL INSTRUMENTS

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

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:

(a) Market Risk**(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign Currency Exposure

The Group	USD RM	RM RM	Others RM	Total RM
31.12.2020				
Financial assets				
Trade receivables	6,424,206	2,002,953	–	8,427,159
Cash and bank balances	1,004,242	9,509,146	18,477	10,531,865
	7,428,448	11,512,099	18,477	18,959,024
Financial liabilities				
Trade payables	80,115	5,289,169	–	5,369,284
Other payables and accruals	140,061	3,420,643	–	3,560,704
	220,176	8,709,812	–	8,929,988
Net financial assets	7,208,272	2,802,287	18,477	10,029,036
Less: Net financial assets denominated in the respective entities' functional currency	–	(2,802,287)	–	(2,802,287)
Currency Exposure	7,208,272	–	18,477	7,226,749

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34. FINANCIAL INSTRUMENTS (CONT'D)**34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(i) Foreign Currency Risk (Cont'd)*****Foreign Currency Exposure (Cont'd)***

The Group	USD RM	RM RM	Others RM	Total RM
31.12.2019				
Financial assets				
Trade receivables	4,215,073	432,119	–	4,647,192
Cash and bank balances	1,027,078	5,273,202	18,477	6,318,757
	5,242,151	5,705,321	18,477	10,965,949
Financial liability				
Trade payables	240,979	4,827,674	–	5,068,653
	240,979	4,827,674	–	5,068,653
Net financial assets	5,001,172	877,647	18,477	5,897,296
Less: Net financial assets denominated in the respective entities' functional currency	–	(877,647)	–	(877,647)
Currency Exposure	5,001,172	–	18,477	5,019,649

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk at the end of the current financial period.

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	Increase/(Decrease)	
	31.12.2020	31.12.2019
	RM	RM
Effects on profit after tax		
USD/RM		
- strengthened by 5%	273,914	190,045
- weakened by 5%	(273,914)	(190,045)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from short-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 17 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

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(Cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have material impact on the profit after tax and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 4 (31.12.2019: 2) trade receivables, the balances of each is equal to or more than 10% of total balances constituting approximately 77% (31.12.2019: 65%) of the Group's trade receivables at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:

	The Group	
	31.12.2020	31.12.2019
	RM	RM
Asia (excluding Malaysia)	156,218	366,792
Europe	–	270,136
North America	3,786,873	1,220,603
South America	132,498	68,507
Malaysia	4,351,570	2,721,154
	8,427,159	4,647,192

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(Cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite they are still subject to enforcement activities.

Trade Receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulties or with significant balances outstanding for more than 90 days are deemed credit impaired.

During the current financial period, the Group has changed its risk management practices in response to the Covid-19 pandemic. The expected loss rates are based on the payment profiles of sales over a period of 1 year from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables is summarised below:

	Gross amount RM	Individual impairment RM	Carrying amount RM
The Group			
31.12.2020			
Not past due	7,677,537	–	7,677,537
Past due but not impaired:			
- less than 90 days	749,622	–	749,622
	8,427,159	–	8,427,159
31.12.2019			
Not past due	4,096,383	–	4,096,383
Past due but not impaired:			
- less than 90 days	550,809	–	550,809
	4,647,192	–	4,647,192

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with a Licensed Bank, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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(Cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

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

	Weighted average effective interest rate % per annum	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
The Group						
31.12.2020						
Non-derivative financial liabilities						
Trade payables	-	5,369,284	5,369,284	5,369,284	-	-
Other payables and accruals	-	3,560,704	3,560,704	3,560,704	-	-
Bank borrowings						
- Bankers' acceptances	1.86 - 2.02	6,025,236	6,025,236	6,025,236	-	-
- Term loans	3.19 - 6.35	21,429,448	26,088,618	3,347,064	12,184,701	10,556,853
Lease liabilities	4.44 - 7.33	1,689,610	1,864,488	541,793	1,322,695	-
		38,074,282	42,908,330	18,844,081	13,507,396	10,556,853

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34. FINANCIAL INSTRUMENTS (CONT'D)
34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Weighted average effective interest rate % per annum	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
The Group						
31.12.2019						
Non-derivative financial liabilities						
Trade payables	-	5,068,653	5,068,653	5,068,653	-	-
Other payables and accruals	-	4,302,962	4,302,962	4,302,962	-	-
Bank borrowings						
- Bankers' acceptances	3.37 - 3.46	3,040,916	3,040,916	3,040,916	-	-
- Term loans	3.19 - 6.35	17,490,245	20,200,130	2,687,415	11,818,161	5,694,554
Lease liabilities	4.44 - 6.00	1,959,175	2,176,748	629,314	1,547,434	-
		31,861,951	34,789,409	15,729,260	13,365,595	5,694,554

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34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM
The Company			
31.12.2020			
Non-derivative financial liabilities			
Other payables and accruals	195,766	195,766	195,766

34.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, bank borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owner of the parent of the Company.

The debt-to-equity ratio of the Group at the end of the reporting period was as follows:

	The Group 31.12.2020 RM	31.12.2019 RM
Bank borrowings (Note 17)	27,454,684	20,531,161
Lease liabilities (Note 18)	1,689,610	1,959,175
	29,144,294	22,490,336
Less: Fixed deposits with a licensed bank (Note 14)	(3,541,388)	(2,129,212)
Less: Cash and bank balances	(10,531,865)	(6,318,757)
Net debt	15,071,041	14,042,367
Total equity	32,232,941	23,577,810
Debt-to-equity ratio	0.47	0.60

There was no change in the Group's approach to capital management during the financial period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)**34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	The Group 31.12.2020 RM	31.12.2019 RM	The Company 31.12.2020 RM
Financial assets			
<u>Fair value through profit or loss</u>			
Quoted investment	–	72,500	–
<u>Amortised cost</u>			
Trade receivables	8,427,159	4,647,192	–
Other receivables	8,081	53,440	–
Fixed deposits with a licensed bank	3,541,388	2,129,212	–
Cash and bank balances	10,531,865	6,318,757	1
	22,508,493	13,148,601	1
Financial liabilities			
<u>Amortised cost</u>			
Trade payables	5,369,284	5,068,653	–
Other payables and accruals	3,560,704	4,302,962	195,766
Bank borrowings	27,454,684	20,531,161	–
Lease liabilities	1,689,610	1,959,175	–
	38,074,282	31,861,951	195,766

34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group 31.12.2020 RM	31.12.2019 RM
Financial assets		
<u>Amortised cost</u>		
Net (loss)/gain recognised in profit or loss	(17,209)	185,339
<u>Fair value through profit or loss</u>		
Net gain recognised in profit or loss	17,986	1,250
Financial liabilities		
<u>Amortised cost</u>		
Net loss recognised in profit or loss	(999,339)	(674,970)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 FAIR VALUE INFORMATION

The fair value of the financial assets and financial liabilities of the Group which are maturing within the next twelve months approximate their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
The Group								
31.12.2020								
Financial liabilities								
Term loans	-	-	-	-	21,429,448	-	21,429,448	21,429,448
31.12.2019								
Financial assets								
Quoted investment	-	72,500	-	-	-	-	72,500	72,500
Financial liabilities								
Term loans	-	-	-	-	17,490,245	-	17,490,245	17,490,245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

35. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (a) On 11 March 2020, the World Health Organisation declared the Coronavirus Disease ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown, and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Company operates.

Nonetheless, the Covid-19 global pandemic has not resulted in any material impairment to the Group's assets (including inventories and receivables) for the financial year ended 31 December 2020 or affected the Group's ability to continue its business as a going-concern. The Covid-19 global pandemic did not have any material impact on the Group's operations and financial performance for the financial year ended 31 December 2020.

- (b) On 23 June 2020 and 18 November 2020, the Company entered into a conditional Share Sale Agreement and Supplemental Share Sale Agreement respectively with the selling shareholders of Mobilia International Sdn. Bhd. ("MISB"), namely Exelient Sdn. Bhd., Quek Wee Seng, Quek Wee Seong, Firstchrome Sdn. Bhd., Quek Gim Hong @ Keh Gim Hong and Leong Yok Moy, to acquire the entire equity interest in Mobilia International comprising 1,250,000 ordinary shares for a purchase consideration of RM 23,596,000 to be fully satisfied by the issuance of 339,999,999 new ordinary shares at an issue price of approximately RM 0.0694 per share, which was completed on 18 November 2020.
- (c) On 18 November 2020, the Company obtained conditional approval from Bursa Securities to list the Company on the ACE Market of Bursa Securities.

36. SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

- (a) On 3 February 2021, the Company launched its Prospectus and undertook the following Listing Scheme:
- (i) public issue of 60,000,000 new shares at an issue price of RM 0.23 each allocated in the following manner:
 - (a) 20,000,000 new shares available for application by the Malaysian public;
 - (b) 12,000,000 new shares available for application by our eligible employees and persons who have contributed to the success of the Group; and
 - (c) 28,000,000 new shares by way of private placement to selected investors; and
 - (ii) offer for sale of 40,000,000 existing shares by way of private placement to selected Bumiputera investors approved by the Ministry of International Trade and Industry at an issue price of RM 0.23 each;

in conjunction with the listing and quotation of the enlarged total number of 400,000,000 shares on the ACE Market of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 31 DECEMBER 2020
(Cont'd)

36. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

- (b) The listing of and quotation for the Company's entire enlarged issued and paid-up share capital of approximately RM 37,396,001 comprising 400,000,000 ordinary shares in the Company on the ACE Market of Bursa Malaysia Securities Berhad was completed on 23 February 2021.
- (c) The Group had on 8 December 2020 submitted an application for the Certificate for Accommodation for workers' hostel located at Lot 2782 to the Department of Labour Peninsular Malaysia. The Department of Labour had vide its letter dated 23 February 2021 resolved to approve the application for the Certificate of Accommodation.
- (d) Subsequent to the reporting date, the numbers of new Covid-19 cases increased substantially in Malaysia and markets in which the Group operates. On 23 April 2021, an employee of Mobilia International Sdn. Bhd. ("MISB"), a wholly-owned subsidiary of the Company, had reported to be infected by Covid-19 after developing symptoms and further confirmed by a screening test. The Group had on 24 April 2021 voluntarily underwent a Covid-19 full screening (Polymerase Chain Reaction ("PCR") test) for all of its foreign and local employees of MISB, at its factories located in the Bukit Bakri, Muar, Johor. The Group temporarily suspended its operations from 26 April 2021 to 2 May 2021 after some of its employee were tested positive for Covid-19. On 3 May 2021, the Group resume operation of its administration office but will continue to temporarily suspend MISB's production operations until 9 May 2021. As the outbreak is evolving, the full effect of the Covid-19 pandemic is subject to uncertainty and could not be ascertained reliably at this juncture.

The Group will continue to pay close attention to the development of, and the disruption to its business activities caused by the prolonged effect of the Covid-19 pandemic and/or any subsequent MCO or similar measure imposed by Malaysia Government and continually evaluate their impact on the financial position, cash flows and operating results of the Group.

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LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2020

Registered owner	Title details/ Postal address	Tenure/ expiry of lease	Description and existing use	Approximate age of building	Total land area/Total built-up area	Carrying amount as at 31 December 2020 (RM'000)	Date of acquisition
Mobilia International Sdn. Bhd.	Lot 2782, Mukim Jalan Bakri, Muar, Johor held under Geran 92507	Freehold	Industrial land for furniture manufacturing facilities including Design & Development and processes of wood preparation, manufacturing, assembly, finishing, packaging and warehousing	Not applicable	16.5 acres	12,423	09 November 2015 and 28 November 2016
Mobilia International Sdn. Bhd.	Lot 2782, Jalan Kempas 1, Kawasan Perindustrian Bukit Bakri, Bukit Bakri 84200 Muar, Johor.	Freehold	Phase 1A - 2 blocks of single-storey detached factory buildings and a block of four-storey detached hostel	1 year	311,829 sq. ft.	15,383	Construction completed in March 2020
			Phase 1B - Construction work in progress to build a three-storey detached office building and showroom	Not applicable	29,416 sq. ft.	445	Construction in progress

ANALYSIS OF SHAREHOLDINGS

AT 23 APRIL 2021

Class of Share	: Ordinary shares
Voting Rights	: One vote per ordinary share
Issued and Fully Paid-Up Share Capital	: RM37,396,000.93 comprising 400,000,000 ordinary shares
Number of Shareholders	: 5,365

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of Shareholders	% of Shareholders	No. of shares	% of Issued Share Capital
1 - 99	11	0.205	301	0.000
100 - 1,000	669	12.469	472,799	0.118
1,001 - 10,000	2,964	55.246	16,741,900	4.185
10,001 - 100,000	1,602	29.860	51,417,400	12.854
100,001 - 19,999,999 (*)	118	2.199	59,367,600	14.841
20,000,000 and above (**)	1	0.018	272,000,000	68.000
Total	5,365	100.000	400,000,000	100.000

Notes:

- * Less than 5% of issued shares
 ** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS (Holding 5% or more of the share capital)

Name of Shareholders	Direct		Indirect	
	No of Shares Held	% of Issued Share Capital	No of Shares Held	% of Issued Share Capital
Exelient Sdn. Bhd.	272,000,000	68.00		
Quek Wee Seng	1,760,000	0.44	298,240,000 ⁽¹⁾	74.56
Quek Wee Seong	1,760,000	0.44	295,520,000 ⁽²⁾	73.88
Quek Gim Hong @ Keh Gim Hong	2,720,000	0.68	19,040,000 ⁽³⁾	4.76

Notes:

- (1) Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seong, Firstchrome, his father, Quek Gim Hong @ Keh Gim Hong and his wife, Leong Yok Moy pursuant to Section 8 of the Company Act 2016.
- (2) Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seng, Firstchrome, his father, Quek Gim Hong @ Keh Gim Hong pursuant to Section 8 of the Company Act 2016.
- (3) Substantial interest and deemed interested by virtue of shares held in Firstchrome pursuant to Section 8 of the Company Act 2016.

ANALYSIS OF SHAREHOLDINGS
AT 23 APRIL 2021
(Cont'd)

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct		Indirect	
	No of Shares Held	% of Issued Share Capital	No of Shares Held	% of Issued Share Capital
Datin Siah Li Mei	—	—	—	—
Quek Wee Seng	1,760,000	0.44	298,240,000 ⁽¹⁾	74.56
Quek Wee Seong	1,760,000	0.44	295,520,000 ⁽²⁾	73.88
Tajul Arifin Bin Mohd Tahir	—	—	—	—
Lim See Tow	—	—	—	—
Quek Yan Song (Alternate director to Quek Wee Seng)	—	—	—	—

Notes:

- (1) Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seong, Firstchrome, his father, Quek Gim Hong @ Keh Gim Hong and his wife, Leong Yok Moy pursuant to Section 8 of the Company Act 2016.
- (2) Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seng, Firstchrome, his father, Quek Gim Hong @ Keh Gim Hong pursuant to Section 8 of the Company Act 2016.

LIST OF TOP 30 SHAREHOLDERS AT 23 APRIL 2021

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

No.	Name of Shareholders	No. of Shares Held	% of Issued Share Capital
1	EXELIENT SDN. BHD.	272,000,000	68.000
2	FIRSTCHROME SDN. BHD.	19,040,000	4.760
3	LEONG YOK MOY	2,720,000	0.680
4	QUEK GIM HONG @ KEH GIM HONG	2,720,000	0.680
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIN HOOI	2,100,000	0.525
6	QUEK WEE SENG	1,760,000	0.440
7	QUEK WEE SEONG	1,760,000	0.440
8	KWAN LEE KAM	1,402,000	0.350
9	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH CHIT SOON	1,000,000	0.250
10	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH INDEX FUND	820,000	0.205
11	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH TACTICAL FUND	800,000	0.200

ANALYSIS OF SHAREHOLDINGS
AT 23 APRIL 2021
(Cont'd)

LIST OF TOP 30 SHAREHOLDERS AT 23 APRIL 2021 (CONT'D)

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

No.	Name of Shareholders	No. of Shares Held	% of Issued Share Capital
12	SO CHEAU HUEY	800,000	0.200
13	TAN KEAN HOCK	800,000	0.200
14	KHOR MOOI SOONG	700,000	0.175
15	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	530,000	0.132
16	AFFIN HWANG INVESTMENT BANK BERHAD IVT (HLW)	501,000	0.125
17	AFFIN HWANG INVESTMENT BANK BERHAD IVT (CLE)	500,000	0.125
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK WENG (MY2166)	500,000	0.125
19	KOPERASI PEGAWAI PEJABAT PENGARAH TANAH DAN GALIAN K.L BHD	500,000	0.125
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD YAP CHEE WAI	489,400	0.122
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG TECK CHIEW (E-KLC)	470,000	0.117
22	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG YEN YOON	400,000	0.100
23	ISAAC WONG ZING LOONG	400,000	0.100
24	NG HONG BOON	400,000	0.100
25	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOW YIP MUN	350,000	0.087
26	NG CHENG AUN	350,000	0.087
27	NG HONG BOON	350,000	0.087
28	TAN SAY LEONG	310,000	0.077
29	YEO KHEE CHOON	310,000	0.077
30	YEOH KIAN CHIN	310,000	0.077
Total		315,092,400	78.773

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting of MOBILIA HOLDINGS BERHAD ("the Company") will be conducted entirely through live streaming from the Meeting Venue at 1st & 2nd Floor Plot 63 PTD 13189 No. 15 Jalan Sinar Bakri 1 Bukit Bakri Jalan Bakri 84200 Muar Johor on Tuesday, 22 June 2021 at 2.00 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits for the financial year ended 31 December 2020. **(Ordinary Resolution 1)**
3. To approve the payment of Directors' fees and benefits up to RM170,000 for the financial year ending 31 December 2021 payable monthly in arrears after each month of completed service of the Directors during the subject financial year. **(Ordinary Resolution 2)**
4. To re-elect the following Directors who retire in accordance with Clause 95 of the Company's Constitution:
 - i. Quek Wee Seng **(Ordinary Resolution 3)**
 - ii. Quek Wee Seong **(Ordinary Resolution 4)**
 - iii. Datin Siah Li Mei **(Ordinary Resolution 5)**
 - iv. Lim See Tow **(Ordinary Resolution 6)**
 - v. Tajul Arifin Bin Mohd Tahir **(Ordinary Resolution 7)**
5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

AS SPECIAL BUSINESS

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

6. Authority for Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016 ("the Act") **(Ordinary Resolution 9)**

"THAT, subject to the passing of the Special Resolution 1 and pursuant to Section 75 of the Act, the Additional Temporary Relief Measures to Listed Corporations for COVID-19, issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 April 2020 and approvals and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors of the Company be hereby empowered pursuant to Section 75 of the Act to allot and issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued does not exceed twenty percent (20%) of the total number of the issued shares of the Company for the time being AND THAT the Board of Directors are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities."

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

7. Proposed amendments to the Constitution of the Company

(Special Resolution 1)

“THAT the proposed amendments to the Constitution of the Company (“Proposed Amendments”) as set out in the Appendix 1 attached to the Annual Report 2020 be hereby approved AND THAT the Directors and/or the Secretary of the Company be hereby authorised to take all steps as are necessary and expedite in order to implement, finalise and give full effect to the Proposed Amendments.”

8. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

NG MEI WAN

(SSM Practicing Certificate No.: 201908000801) (MIA 28862)

TAN HUI KHIM

(SSM Practicing Certificate No.: 201908000859) (LS 0009936)

Company Secretaries

Muar, Johor Darul Takzim

24 May 2021

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTES:

1. IMPORTANT NOTICE

The Meeting Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders/proxies/corporate representatives/attorneys **WILL NOT BE ALLOWED** to attend the First Annual General Meeting in person at the Meeting Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the First Annual General Meeting via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its TIIH Online website at <https://tiih.online>. **Please follow the Procedures for RPV which are set out in the Administrative Details of First Annual General Meeting and take note of Notes (2) to (8) below in order to participate remotely via RPV.**

2. Only depositors whose names appear in the Record of Depositors as at **14 June 2021** shall be regarded as shareholders and be entitled to attend, participate, speak and vote at the First Annual General Meeting.
3. A shareholder 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 Act. There shall be no restriction as to the qualification of the proxy. A member who has appointed a proxy or authorised representative at the First Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. **Please follow the Procedures for RPV which are set out in the Administrative Details of First Annual General Meeting.**
4. Where a shareholder 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 shareholder 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. 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. Any alterations in the Proxy Form must be initialed by the shareholder.
7. In the event the shareholder(s) duly executes the proxy form but does not name any proxy, such shareholder(s) shall be deemed to have appointed the Chairman of the Meeting as his/her/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy, have been duly completed by the shareholder(s).
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 Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via TIIH Online website at <https://tiih.online> not less than twenty-four (24) hours before the time appointed for holding the First Annual General 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 First Annual General Meeting to vote by way of poll. **For electronic lodgement please follow the Procedures for RPV which are set out in the Administrative Details of First Annual General Meeting.**

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

EXPLANATORY NOTES TO THE AGENDA

9. Item 1 of the Agenda
Audited Financial Statements

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

10. Item 3 of the Agenda - Ordinary Resolution 2

The Directors' fees and benefits proposed for the financial year ending 31 December 2021 are calculated based on the number of scheduled Board and Committee Meetings for 2021 and assuming that all the Non-Executive Directors will hold office until the end of the subject financial year.

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

11. Item 6 of the Agenda - Ordinary Resolution 9

Proposed renewal of authority for Directors to Allot and Issue Shares pursuant to Section 75 of the Act

(a) The proposed Ordinary Resolution no. 9, if passed, will grant a mandate ("20% General Mandate") empowering the Directors of the Company, from the date of the First AGM to allot and issue shares in the Company up to an amount not exceeding twenty percent (20%) of the total number of the issued share of the Company for the time being for such purposes as they may deem fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting shall continue to be in full force until the conclusion of the next AGM of the Company.

(b) The 20% General Mandate is pursuant to temporary relief measures due to COVID-19 pandemic issued by Bursa Securities on 16 April 2020. The temporary relief measures may be utilised until 31 December 2021, after that the 10% limit under rule 6.01 (1) of the ACE Market Listing Requirements of Bursa Securities will be reinstated. The Board of Directors is of the view that the 20% General Mandate is in the best interest of the Company and its shareholders due to unprecedented challenges from the COVID-19 impact, and the 20% General Mandate will enable the Company to raise higher fund more speedily during this challenging period to ensure sustainability of the Company's existing activities as well as funding for future investment activities.

(c) The 20% General Mandate, if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding current and/or future investment project(s), working capital and/or acquisitions.

12. Item 7 of the Agenda – Special Resolution 1

Proposed amendments to the Constitution of the Company

The proposed Special Resolution 1, if passed, will align the Constitution of the Company with the amendments made to the Act and to facilitate the capital raising in a timely and cost-effective manner and also to enhance administrative efficiency.

13. **ANNUAL REPORT**

The Annual Report for the financial year ended 31 December 2020 is now available at the Company's corporate website, <https://www.mobiliainternational.com>. Printed copy of the Annual Report shall be provided to the shareholders upon request soonest possible from the date of receipt of the request.

Shareholder who wish to receive the printed Annual Report may request at <https://tiih.online> by select "Request for Annual Report" under the "Investor Services" to submit the request form electronically or contacting Tricor Investor & Issuing House Services Sdn. Bhd. [197101000970 (11324-H)] at 03-27839299 or email your request to is.enquiry@my.tricorglobal.com.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

DETAILS OF INDIVIDUAL WHO IS STANDING FOR ELECTION AS DIRECTOR

No individual is seeking for election as a Director at the First Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

APPENDIX 1

DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF MOBILIA HOLDINGS BERHAD

The proposed amendments to the Constitution of the Company ("Proposed Amendments") are as follows:

Clause No.	EXISTING CLAUSE	PROPOSED AMENDMENTS
9	General mandate for issue of securities Notwithstanding the existence of a resolution pursuant to Section 76 of the Act, but subject always to the Listing Requirements, the Company may obtain members' approval for further issues of shares where the aggregate issues during the preceding twelve (12) months do not exceed ten percent (10%) of the total number of issued capital (excluding the treasury shares) of the Company and where, in accordance with the provisions of Section 75 of the Act, there is still in effect a resolution approving the issue of shares by the Company.	General mandate for issue of securities Notwithstanding the existence of a resolution pursuant to Section 76 of the Act, but subject always to the Listing Requirements, the Company may obtain members' approval for further issues of shares where the aggregate issues during the preceding twelve (12) months do not exceed ten percent (10%) of the total number of issued capital (excluding the treasury shares) of the Company and where, in accordance with the provisions of Section 75 of the Act, there is still in effect a resolution approving the issue of shares by the Company.
61	Power to alter capital (a) The shareholders may pass special resolutions to alter the Company's share capital in accordance with Section 84 of the Act as follows: (i) to consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share, shall be the same as it was in the case of the share from which the subdivided share is derived; (ii) to convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; (iii) to subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or (iv) cancel any shares, which at the date of the passing of the resolution, which have been forfeited, and diminish the amount of its share capital by the amount of the shares so cancelled.	Power to alter capital (a) The shareholders may pass special ordinary resolutions to alter the Company's share capital in accordance with Section 84 of the Act as follows: (i) to consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share, shall be the same as it was in the case of the share from which the subdivided share is derived; (ii) to convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; (iii) to subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or (iv) cancel any shares, which at the date of the passing of the resolution, which have been forfeited, and diminish the amount of its share capital by the amount of the shares so cancelled.

ADMINISTRATIVE DETAILS

FOR THE FIRST ANNUAL GENERAL MEETING ("1ST AGM") OF MOBILIA HOLDINGS BERHAD

Date : Tuesday, 22 June 2021
Time : 2.00 p.m.
Meeting Venue : 1st & 2nd Floor Plot 63 PTD 13189 No. 15 Jalan Sinar Bakri 1 Bukit Bakri Jalan Bakri 84200 Muar Johor

PRECAUTIONARY MEASURES AGAINST THE CORONAVIRUS DISEASE ("COVID-19")

- In view of the COVID-19 outbreak and as part of the safety measures, the Company will conduct the 1st AGM on a **fully virtual basis through live streaming and online remote voting** via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") **TIIH Online** website at <https://tiih.online>. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and subsequently revised on 6 May 2021 (including any amendment that may be made from time to time).
- The Meeting Venue of the 1st AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. No shareholders/proxy(ies)/corporate representatives/attorneys from the public will be physically present at the meeting venue.
- We **strongly encourage** you to attend the 1st AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 1st AGM.
- Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 1st AGM at short notice. Kindly check the Company's website at www.mobiliainternational.com or announcements for the latest updates on the status of the 1st AGM.
- The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

- The RPV facilities are available on Tricor's TIIH Online website at <https://tiih.online>.
- Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 1st AGM using RPV facilities from Tricor.
- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 1st AGM using the RPV facilities:

Before the Day of 1st AGM

Procedure	Action
i. Register as a user with TIIH Online	- Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance. - Registration as a user will be approved within one (1) working day and you will be notified via e-mail. - If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

ADMINISTRATIVE DETAILS
FOR THE FIRST ANNUAL GENERAL MEETING ("1ST AGM") OF MOBILIA HOLDINGS BERHAD
(Cont'd)

ii. Submit your request to attend 1st AGM remotely	- Registration is open from 2.00 p.m. Monday 24 May 2021 until the day of 1st AGM on Tuesday, 22 June 2021. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 1st AGM to ascertain their eligibility to participate the 1st AGM using the RPV. - Login with your user ID (i.e. e-mail address) and password and select the corporate event: (Registration) MOBILIA HOLDINGS 1ST AGM". - Read and agree to the Terms & Conditions and confirm the Declaration. - Select "Register for Remote Participation and Voting". - Review your registration and proceed to register. - System will send an e-mail to notify that your registration for remote participation is received and will be verified. - After verification of your registration against the Record of Depositors as at 14 June 2021, the system will send you an e-mail after 21 June 2021 to approve or reject your registration for remote participation. <i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV) .</i>
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On the day of the 1st AGM (22 June 2021)

Procedure	Action
i. Login to TIIH Online	Login with your user ID and password for remote participation at the 1st AGM at any time from 1.00 p.m. i.e. one hour before the commencement of meeting at 2.00 p.m. on Tuesday, 22 June 2021.
ii. Participate through Live Streaming	Select the corporate event: (Live Stream Meeting) MOBILIA HOLDINGS 1ST AGM" to engage in the proceedings of the 1st AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 1st AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii. Online remote voting	- Voting session commences from 2:00 p.m. on Tuesday, 22 June 2021 until a time when the Chairman announces the end of the session. - Select the corporate event: (Remote Voting) MOBILIA HOLDINGS 1ST AGM or if you are on the live stream meeting page, you can select "GO TO REMOTE VOTING PAGE" button below the Query Box. - Read and agree to the Terms & Conditions and confirm the Declaration. - Select the CDS account that represents your shareholdings. - Indicate your votes for the resolutions that are tabled for voting. - Confirm and submit your votes.
iv. End of remote participation	Upon the announcement by the Chairman on the conclusion of the 1st AGM, the Live Streaming will end.

ADMINISTRATIVE DETAILS
FOR THE FIRST ANNUAL GENERAL MEETING ("1ST AGM") OF MOBILIA HOLDINGS BERHAD
(Cont'd)

Note to users of the RPV facilities:

- (i) Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIH Online on the day of meeting will indicate your presence at the virtual meeting.
- (ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- (iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only shareholders whose names appear on the Record of Depositors as at 14 June 2021 shall be eligible to attend, speak and vote at the 1st AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the 1st AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
- If you wish to participate in the 1st AGM yourself, please do not submit any Proxy Form for the 1st AGM. You will not be allowed to participate in the 1st AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 1st AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than Monday, 21 June 2021 at 2.00 p.m:

(i) In Hard copy:

- a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;
- b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIH Online	• Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIH Online, you are not required to register again.

ADMINISTRATIVE DETAILS
FOR THE FIRST ANNUAL GENERAL MEETING ("1ST AGM") OF MOBILIA HOLDINGS BERHAD
(Cont'd)

Proceed with submission of Proxy Form	- After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. - Select the corporate event: "MOBILIA HOLDINGS 1ST AGM - Submission of Proxy Form". - Read and agree to the Terms and Conditions and confirm the Declaration. - Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. - Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. - Review and confirm your proxy(s) appointment. - Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	- Access TIIH Online at https://tiih.online - Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder". - Complete the registration form and upload the required documents. - Registration will be verified, and you will be notified by email within one (1) to two (2) working days. - Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.
Proceed with submission of form of proxy	- Login to TIIH Online at https://tiih.online - Select the corporate exercise name: "MOBILIA HOLDINGS 1ST AGM - Submission of Proxy Form". - Agree to the Terms & Conditions and Declaration. - Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. - Prepare the file for the appointment of proxies by inserting the required data. - Proceed to upload the duly completed proxy appointment file. - Select "Submit" to complete your submission. - Print the confirmation report of your submission for your record.

POLL VOTING

- The voting at the 1st AGM will be conducted by poll in accordance with Rule 8.31A(1) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).
- Members/proxies/corporate representatives/attorneys can proceed to vote on the resolutions at any time from **2.00 p.m. on Tuesday, 22 June 2021** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to "Procedures to Remote Participation and Voting via RPV Facilities" provided above for guidance on how to vote remotely via TIIH Online.
- Upon completion of the voting session for the 1st AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

ADMINISTRATIVE DETAILS
FOR THE FIRST ANNUAL GENERAL MEETING ("1ST AGM") OF MOBILIA HOLDINGS BERHAD
(Cont'd)

PRE-MEETING SUBMISSION OF QUESTIONS

- The Board recognises that the 1st AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 1st AGM, shareholders may in advance, before the 1st AGM, submit questions to the Board of Directors via Tricor's **TIH Online** website at <https://tiih.online>, by selecting "e-Services" to login, post your questions and submit it electronically no later than **Monday, 21 June 2021 at 2.00 p.m.** The Board of Directors will endeavor to address the questions received at the 1st AGM.

NO DOOR GIFTS/FOOD VOUCHERS

- There will be no distribution of door gifts or food vouchers for the 1st AGM as the meeting will be conducted on a fully virtual basis.
- The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRIES

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

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact Persons	:	Mr. Jake Too : +603-2783 9285 / Email : Chee.Onn.Too@my.tricorglobal.com
	:	Ms. Vivien Khoh : +603-2783 9091 / Email : Vivien.Khoh@my.tricorglobal.com
	:	Mr. Alven Lai : +603-2783 9283 / Email : Siew.Wai.Lai@my.tricorglobal.com

MOBILIA HOLDINGS BERHAD

REGISTRATION NO.: 202001004249 (1360569-P)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	
No of shares held	

*I/We _____
[Full name in block and/or telephone number]

*NRIC No./Passport No./Company No. _____ of _____
being a *Shareholder/Shareholders of Mobilia Holdings

Berhad ("Company"), hereby appoint _____
of _____

*and _____ of _____

_____ or failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on my/our behalf at the First Annual General Meeting of the Company to be conducted entirely through live streaming from the Meeting Venue at 1st & 2nd Floor Plot 63 PTD 13189 No. 15 Jalan Sinar Bakri 1 Bukit Bakri Jalan Bakri 84200 Muar Johor on Tuesday, 22 June 2021 at 2.00 p.m. and at any adjournment thereof in the manner as indicated below:-

No.	Ordinary Resolution	For	Against
1	Approval of Directors' fees and benefits for the financial year ended 31 December 2020		
2	Approval of Directors' fees and benefits for the financial year ending 31 December 2021		
3	Re-election of Quek Wee Seng as Director		
4	Re-election of Quek Wee Seong as Director		
5	Re-election of Datin Siah Li Mei as Director		
6	Re-election of Lim See Tow as Director		
7	Re-election of Tajul Arifin Bin Mohd Tahir as Director		
8	Re-appointment of Messrs Crowe Malaysia PLT as Auditors		
9	Authority for Directors to allot and issue shares pursuant to Section 75 of the Companies Act 2016		
No.	Special Resolution	For	Against
1	Proposed amendments to the constitution of the Company		

[Please indicate with a "x" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit]

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

Proxy	No of Shares	Percentage
1		
2		
Total		100%

Signature of Shareholder or Common Seal

Dated this _____ day of _____ 2021

Notes:

1. IMPORTANT NOTICE

The Meeting Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders/proxies/corporate representatives/attorneys **WILL NOT BE ALLOWED** to attend the First Annual General Meeting in person at the Meeting Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the First Annual General Meeting via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tiah.online>. **Please follow the Procedures for RPV which are set out in the Administrative Details of First Annual General Meeting and take note of Notes (2) to (6) below in order to participate remotely via RPV.**

- Only depositors whose names appear in the Record of Depositors as at 14 June 2021 shall be regarded as shareholders and be entitled to attend, participate, speak and vote at the First Annual General Meeting.
- A shareholder 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 Act. There shall be no restriction as to the qualification of the proxy. A shareholder who has appointed a proxy or authorised representative at the First Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at **TIH Online** website at <https://tiah.online>. **Please follow the Procedures for RPV which are set out in the Administrative Details of First Annual General Meeting.**
- Where a shareholder 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.
- Where a shareholder 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.
- 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. Any alterations in the Proxy Form must be initiated by the shareholder.
- In the event the shareholder(s) duly executes the proxy form but does not name any proxy, such shareholder(s) shall be deemed to have appointed the Chairman of the Meeting as his/her/their proxy, provided always that the rest of the proxy form, other than the particulars of the proxy, have been duly completed by the shareholder(s).
- 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 Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via TIH Online website at <https://tiah.online> not less than twenty-four (24) hours before the time appointed for holding the First Annual General 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 First Annual General Meeting to vote by way of poll. **For electronic lodgement please follow the Procedures for RPV which are set out in the Administrative Details of First Annual General Meeting.**

Personal Data Privacy

By submitting the proxy form, the shareholder or proxy accepts and agrees to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for the purpose of preparation and compilation of documents relating to the First Annual General Meeting (including any adjournment thereof).



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AFFIX
STAMP

The Share Registrars

MOBILIA HOLDINGS BERHAD

REGISTRATION NO.: 201801016143 (1278159-A)

Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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MOBILIA HOLDINGS BERHAD

(Registration No. 202001004249

(1360569-P))

1st & 2nd Floor, Plot 63, PTD 13189

No. 15, Jalan Sinar Bakri 1, Bukit Bakri, Jalan Bakri
84200 Muar, Johor

Tel. No. : (606) 986 3142/ 48

Fax. No. : (606) 986 3122

Web: www.mobiliainternational.com