

A modern living room interior featuring a large, dark wood TV cabinet with a built-in TV. The cabinet has a mix of wood and dark grey panels. In front of the cabinet is a round, dark wood coffee table with a black metal frame. To the left, there is a tall, thin, gold-colored metal shelving unit with a birdcage-like top. The room has a light-colored wooden floor and a white wall with a large wooden panel on the right. A staircase with a glass railing is visible in the background.

mobilia[®]

MOBILIA HOLDINGS BERHAD
(Registration No. 202001004249) (1360569-P)

ANNUAL REPORT 2021

www.mobiliainternational.com

CORPORATE OVERVIEW

- 2 Corporate Profile
- 3 Corporate Information
- 4 Corporate Structure

MANAGEMENT OVERVIEW

- 5 Management Discussion and Analysis
- 13 Board of Directors' Profiles
- 20 Key Management's Profile

SUSTAINABILITY AND GOVERNANCE

- 24 Sustainability Statement
- 29 Corporate Governance Overview Statement
- 36 Audit and Risk Management Committee Report
- 39 Statement on Risk Management and Internal Control
- 42 Additional Compliance Information
- 43 Responsibility Statement by the Board of Directors

FINANCIAL

- 44 Financial Statements

OTHER INFORMATION

- 115 List of Properties
- 116 Analysis of Shareholdings
- 119 Analysis of Warrant A Holdings
- 122 Notice of Annual General Meeting
- 128 Administrative Details for the AGM

Proxy Form



CORPORATE PROFILE

Mobilia Holdings Berhad ("**Mobilia Holdings**" or the "**Company**") was incorporated in Malaysia on 6 February 2020 under Companies Act 2016 ("**the Act**") 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.

Mobilia Holdings and its subsidiaries ("**Mobilia**" or the "**Group**") are principally involved in investment holding, design, manufacturing and sale of furniture and furniture parts. Our furniture operations are based in Muar, Johor while our products are sold locally and overseas 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

NOMINATION 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
197301002193 (15678-H)
Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel. No.: (603) 2172 2888
Fax. No.: (603) 2172 2999

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
202101043817 (1444117-M)
Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2
40150 Shah Alam,
Selangor.

Tel. No.: (603) 7890 0638
Fax. No.: (603) 7890 1032

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 Sdn Bhd ("**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. Mobilia Design will be dissolved upon completion of the members' voluntary winding up.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial year under review was a very challenging year as the unprecedented challenges arising from the global outbreak of Coronavirus Disease (“**Covid-19**”) pandemic persisted in year 2021. However, at the same time, Mobilia Holdings has achieved a remarkable milestone 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 categorised 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)

The construction of a block of three-storey detached office building ("**Phase 1B**") and 2 blocks of single-storey detached factory buildings namely Factory Blocks B and C ("**Phase 2**") had commenced in July 2020 and October 2021 respectively. The construction of Phase 1B and Phase 2 are expected to be completed in 2022. With this, we are able to expand the built-up area of our manufacturing plant and our production capacities, which will allow us to be more flexible in producing products of various designs as well as increase our ability to customise our products based on customers' requirements. Further, additional blocks of factory buildings will also allow us to expand our existing space for woodwork manufacturing to accommodate more machinery and manpower, and consequently allow us to accept more orders, when the need arises.

Our customers are primarily agent, distributors and retailers. We focus on 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 Covid-19

During the financial year under review, our Group's manufacturing activities have been adversely affected by disruptions due to the prolonged global outbreak of ongoing Covid-19 pandemic.

An employee of Mobilia International, a wholly-owned subsidiary of Mobilia, had been infected by Covid-19 on 23 April 2021 as confirmed by a screening test conducted on the said employee. Mobilia International had, on 24 April 2021, voluntarily undertaken a full Covid-19 screening test for all its employees, comprising both foreign and local employees, at its factories located in the Bukit Bakri, Muar, Johor ("**Screening**"). This Screening exercise had revealed that some of its employees have contracted Covid-19.

Mobilia International had temporarily suspended its operations from 26 April 2021 until 2 May 2021 under instructions from Kementerian Kesihatan Malaysia ("**KKM**"). The operation of administration office resumed on 5 May 2021, but its production operations was further suspended until 9 May 2021, with the aim of minimising the risk of further spread of the Covid-19 within the community.

Our Group's manufacturing activities was further disrupted with the additional imposition of various movement control orders. During the Third Movement Control Order ("**MCO 3.0**"), which took effect from 12 May 2021, our Group was required to reduce its workplace presence limit to 60% of its manpower. Subsequently with the implementation of Full Movement Control Order ("**FMCO**") effective from 1 June 2021 and followed by Phase One of Movement Control under the National Recovery Plan ("**Phase One of NRP**"), our Group's manufacturing activities were temporarily suspended from 1 June 2021 and was only been able to operate at full capacity from 20 September 2021, after fulfilment of the vaccination requirement.

Our Group places key focus on structuring an optimised and efficient production environment when the manufacturing activities resume its operation in full capacity thereafter ramp up production to fulfil backlog orders.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Corporate Development

During the financial year under review, the Company has completed the bonus issue of shares on the basis of 3 bonus shares for every 4 existing shares on 5 November 2021 to reward our shareholders. The exercise could potentially improve the trading liquidity of our shares on Bursa Securities without affecting the Group's market capitalisation. Besides, this would encourage greater participation by investors and potentially broaden the shareholder base. Apart from that, the Company also completed the free warrants on the basis of 1 warrant for every 4 existing shares on 16 November 2021. The exercise price of the 3 years warrants was fixed at RM0.28 per warrant. Upon both completion, 299,999,992 bonus shares and 174,999,136 warrants were listed and quoted on the ACE Market of Bursa Securities.

2. Group Financial Highlights

Financial Year Ended 31 December ("FYE")	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue	55,730	66,504	75,589	76,404	70,115
Profit before tax	7,335	7,303	11,027	9,656	10,002
Profit after tax	6,264	6,243	8,420	8,655	8,035
Shareholders' equity	19,915	22,658	23,578	32,233	53,368
Net Profit Attributable to Equity Holders	6,264	6,243	8,420	8,655	8,035
Weighted average number of shares in issue ('000) *	640,000	640,000	640,000	640,000	691,288
Basic earnings per share (sen) *	0.98	0.98	1.32	1.35	1.16

- * Basic earnings per share for the financial years 2017 to 2020 were calculated based on total number of shares in issue of 340,000,000 ordinary shares as at 31 December 2020. For comparative purpose, the basic earnings per share of the Group for the financial years 2017 to 2020 have been retrospectively adjusted to reflect the bonus issue of 3 for every 4 existing ordinary shares which was completed on 5 November 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)



Revenue

During the FYE 2021, we reported a reduction in total revenue of approximately RM6.29 million or 8.23% from RM76.40 million in FYE 2020 to RM70.12 million in FYE 2021. The lower revenue was mainly attributable to the Covid-19 infection of Mobilia International's employees had resulted the production operations had to be temporarily suspended from 26 April 2021 to 9 May 2021 and implementation of FMCO by the government. This had adversely impacted the Group's manufacturing activities which had to be temporarily suspended for almost 4 months in total.

During the FYE 2021, revenue from overseas markets accounted for approximately RM45.88 million or 65.44% of our total revenue while revenue from domestic markets accounted for the remaining RM24.23 million or 34.56%. The North American market was the primary revenue generator with a reported revenue contribution of approximately RM27.49 million. Asia excluding Malaysia is the second largest export market with sales contribution of 16.39% of total revenue, followed by Europe, South America, and Australasia.

Profit Before Tax ("PBT")

Our PBT increased by approximately RM0.35 million or 3.58% from RM9.66 million in FYE 2020 to RM10.00 million in FYE 2021. The improvement in PBT was mainly due to strengthening of the United States Dollar ("USD") against the RM during the FYE 2021 which contributed to the increase in realised gain in foreign exchange as well as reduction of listing expenses from approximately RM1.11 million in FYE 2020 to approximately RM0.81 million in FYE 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Profit After Tax ("PAT")

Our PAT decreased by approximately RM0.62 million or 7.16% from RM8.66 million in FYE 2020 to RM8.04 million in FYE 2021. The decrease in PAT was mainly due to the higher effective tax rate of approximately 19.66% in FYE 2021 as compared to approximately 10.37% in FYE 2020. The higher effective tax rate in FYE 2021 was because majority of the tax incentives in the form of reinvestment allowance for the construction of Phase 1A, which comprises 2 blocks of single-storey detached factory buildings as well as additional machineries for expansion and automation of manufacturing had been utilised in FYE 2020.

Financial Position and Liquidity

Our financial position remained healthy as our Group had already geared up for its business expansion. The average trade receivable turnover increased from 31 days as at 31 December 2020 to 51 days as at 31 December 2021, which was within our credit terms granted to customers which ranges from cash term to 90 days.

The average trade payables turnover period increased from 46 days as at 31 December 2020 to 50 days as at 31 December 2021. The increase in average trade payable was mainly attributable to the increase in purchases towards the end of the year in anticipation of higher level of sales in the following months. The increase in purchases has resulted in higher closing trade payable balances as at 31 December 2021 and coupled with the lower total purchases in 2021 had resulted in higher average trade payable turnover period.

The inventory turnover period increased from 51 days as at 31 December 2020 to 85 days as at 31 December 2021, mainly due to the higher stock level of raw materials as at 31 December 2021 in anticipation of the increase in our sales order in the coming months. The higher stock level of raw materials as at 31 December 2021 coupled with the lower cost of sales due to the production halt which lasted for almost 4 months has resulted in higher average inventory turnover period.

Our cash and cash equivalents as at 31 December 2021 increased by approximately RM9.04 million to approximately RM23.11 million as compared to previous year. Our total bank borrowings decreased by approximately RM2.46 million to RM26.68 million as at 31 December 2021 compared to FYE 2020. This was mainly due to the decreased utilisation of trade bills of approximately RM1.69 million. We reported a lower gearing ratio 0.50 times as at 31 December 2021 as compared to 0.90 times as at 31 December 2020.

For cash flow movement, the net cash used to purchase property, plant and equipment reported at RM2.84 million in FYE 2021. The capital expenditure incurred in the FYE 2021 was mainly due to acquisition of plant and machinery amounting to RM1.92 million. The cash used for financing activities involves repayment of banker's acceptance, term loans, hire purchase and lease liabilities which amounted to RM15.02 million.

Our Group remains prudent in maintaining a healthy financial position that will enable us to execute our strategic plans and maximise 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

The outbreak of Covid-19 pandemic has affected global economic and business activities including furniture businesses. Our business and operations were affected by the various movement control orders throughout the country enforced by the Government of Malaysia to curtail an exponential growth in the number of Covid-19 infections. The rapid spread of the Covid-19 had resulted in the implementation of FMCO effective from 1 June 2021, whereby all economic sectors were not allowed to operate except the essential services and selected economic sectors. Additionally, our suppliers and subcontractors were unable to operate during the implementation of the FMCO which have disrupted the supply of our materials and subcontractor services.

In compliance with the FMCO followed by Phase One of NRP, we were only able to operate at full capacity from 20 September 2021 onwards, after fulfilment of the vaccination requirement. The Group will continue to adhere to the preventive Standard Operating Procedure (“SOPs”) on a stringent basis in order to safeguard the well-being of our employees.

Nevertheless, given the uncertainties and challenges ahead, should the restrictions under any movement control orders enforced by the Government of Malaysia 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.

Fluctuations of foreign exchange rate

For the FYE 2021, approximately 89.98% 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 purchases 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, among 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 Group operates within the furniture manufacturing industry in Malaysia and derives more than half of its revenue overseas. With the ongoing Covid-19 pandemic, the Group is exposed to risks such as disruptions to supply chains and unfavorable foreign exchange fluctuations which may impact the Group's revenue and production costs.

In view of the above, the Group will continue to place efforts on monitoring its business and financial performance closely. Operationally, the Group will endeavor to maintain a stable supply chain as well ensuring the safety and health of its employees so as to ensure smooth manufacturing operations.

The Group will also continue its marketing efforts to expand customer base and export markets, design and development ("D&D") efforts to expand range of home furniture. The Group has also commenced the construction of Phase 2 which are expected to increase the Group's production capacity as well as construction of Phase 1B to set up showroom and designed D&D centre upon completion. The Group has also placed orders for new machineries which are expected to support business growth and expansion in the long term.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

The Company had on 18 March 2022 entered into a conditional Sales of Shares Agreement for the acquisition of the entire equity interest of H & S Usaha Jati Sdn. Bhd. for a total cash consideration of RM9,247,720.00. The proposed acquisition will enable the Group to secure a piece of freehold land ("**Land**") measuring 4.4894 hectares located within 0.7km from its existing manufacturing plant in Muar, Johor. While there is no definite timeline as at to-date, the Group intends to use the Land to construct additional manufacturing facility in the future to support its business expansion.

With the accelerated vaccination programs across globe and the reopening of various countries' borders, the global economy is expected to gradually recover in 2022. The Board is cautiously optimistic of its prospects for the financial year ending 31 December 2022.

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 was no dividend paid during the financial year under review.



***We, Board of Directors** would like to thank our stakeholders, business associates, customers, regulators and relevant authorities for their steadfast support to the Group.*

It is our hope that they will continue to work with us especially during this period of uncertainty.

My heartiest thanks to the management and staff of the Group for the loyalty, commitment and dedication to ensure the Group runs smoothly while we work together to grow to greater heights of success.

BOARD OF DIRECTORS' PROFILE



Datin Siah Li Mei,
Independent Non-Executive Chairman
Malaysian, Age 55
Female

Date of appointment as Director: 15 June 2020
 Length of service as director since appointment: 1 year 9 months

Board Committee(s) Membership:
 Chairman of Nomination Committee
 Member of Remuneration Committee
 Member of Audit and Risk Management Committee

Academic/Professional Qualification(s): Bachelor of Laws (Hons) from University of Buckingham, England in 1989

Present Directorship(s) in other Public Companies and Listed Companies : NA

Working experience:

In 1990, she was admitted as an Advocate and Solicitor of the High Court of Malaya. 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, a position she assumes to present date. To date, she has around 31 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 is an external examiner for the Faculty of Law for Multimedia University, Melaka for the years of 2021/2022 until 2023/2024.

She does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company.

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

Time committed:

Board meetings' attendance in 2021: 4/4

BOARD OF DIRECTORS' PROFILE

(Cont'd)



***Quek Wee Seng,
Managing Director
Malaysian, Age 52
Male***

Date of appointment as Director: 15 June 2020

Length of service as director since appointment: 1 year 9 months

Board Committee(s) Membership: Member of Nomination Committee

Academic/Professional Qualification(s): NA

Present Directorship(s) in other Public Companies and Listed Companies : NA

Working experience:

He oversees the overall business operations as well as the formulation and implementation of our Group's strategic direction and business expansion strategies.

With his in-depth valuable experience in furniture industry over the years, he 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. ("**Nutracraft**") 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 the father of Quek Yan Song, who is our Business Development Manager and also an Alternate Director to Quek Wee Seng. He is also the brother to Quek Wee Seong who is our Executive Director and a substantial shareholder of Mobilia. Quek Wee Seng is also a director and major shareholder of Exelient Sdn. Bhd. ("**Exelient**"), a major shareholder of Mobilia.

He has not been 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.

Time committed:

Board meetings' attendance in 2021: 4/4

BOARD OF DIRECTORS' PROFILE

(Cont'd)



***Quek Wee Seong,
Executive Director
Malaysian, Age 50
Male***

Date of appointment as Director: 15 June 2020

Length of service as director since appointment: 1 year 9 months

Board Committee(s) Membership: NA

Academic/Professional Qualification(s): NA

Present Directorship(s) in other Public Companies and Listed Companies : NA

Working experience:

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.

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 on 6 April 2015 and became a Director in Mobilia Design in year 2017. 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.

Quek Wee Seong is the brother to Quek Wee Seng who is our Managing Director and a substantial shareholder of Mobilia. Quek Wee Seong is also a director and major shareholder of Exelient, a major shareholder of Mobilia.

He has not been 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.

Time committed:

Board meetings' attendance in 2021: 4/4

BOARD OF DIRECTORS' PROFILE

(Cont'd)



***Tajul Arifin bin Mohd Tahir,
Independent Non-Executive Director
Malaysian, Age 55
Male***

Date of appointment as Director: 15 June 2020

Length of service as director since appointment: 1 year 9 months

Board Committee(s) Membership: Chairman of Remuneration Committee
Member of Nomination Committee
Member of Audit and Risk Management Committee

Academic/Professional Qualification(s): Bachelor of Science in Business Administration
from Saint Louis University, USA in 1989

Present Directorship(s) in other Public Companies and Listed Companies:

5 Pillars Capital Berhad appointed on 24 November 2020 as Director/ Shareholder

Mestron Holdings Berhad appointed on 15 October 2018 as Director

Space Capital Berhad appointed on 15 September 2020 as Director

Ageson Berhad appointed on 11 February 2022 as Director

Working experience:

Upon graduation, he worked as a freelancer for part time jobs in the fields of hospitality and food and beverage in USA between 1989 and 1991.

He joined MIDF Consultancy and Corporate Services Sdn Bhd (now known as Tricor Investor & Issuing House Services Sdn Bhd) as Public Issue Officer in 1991 and was promoted to Assistant Manager in 1996 and Manager in 2002 where he was involved in managing a team of public issue officers in carrying out the daily operational activities.

In 2008, he was further promoted to Associate Director where he was responsible for the 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 Securities Commission Malaysia, to undertake venture capital activities in Malaysia. As a co-founder, he manages the overall business operations of the company.

He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest with the Company.

He has not been 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.

Time committed:

Board meetings' attendance in 2021: 4/4

BOARD OF DIRECTORS' PROFILE

(Cont'd)



Lim See Tow,
Independent Non-Executive Director
Malaysian, Age 47
Female

Date of appointment as Director: 15 June 2020

Length of service as director since appointment: 1 year 9 months

Board Committee(s) Membership: Chairman of Audit and Risk Management Committee
 Member of Remuneration Committee

Academic/Professional Qualification(s):

Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia in 1999

Obtained Association of Chartered Certified Accountants ("ACCA") accreditation in 2003

Member of the Malaysian Institute of Accountants ("MIA") since 2003.

Present Directorship(s) in other Public Companies and Listed Companies :

Techna-X Berhad appointed on 18 January 2008 as Director

Yew Lee Pacific Group Bhd appointed on 6 August 2021 as Director

Seng Fong Berhad appointed on 9 September 2021 as Director

Working experience:

In 1999, she began her career as Audit Assistant in Deloitte PLT and was involved in financial audit for companies spanning various industries before she left in 2003.

In 2004, she joined TAP Partners Sdn Bhd as a Consultant. Over the years, she held several positions in TAP Partners Sdn Bhd and was involved in project management for clients' corporate exercises including IPO, merger and acquisitions, reverse takeovers, fund raising and corporate restructuring. She also advised clients on matters pertaining to improvements of their operational management and corporate governance practices. In 2005, she was seconded to Antah Holding Berhad as Head of Finance and Special Project, where she was in charge of the restructuring exercise of Antah Holding Berhad prior to the reverse takeover by Sino Hua-An International Berhad in 2007. She was an Associate Director in TAP Partners Sdn Bhd before she left in 2006.

Upon leaving TAP Partners Sdn Bhd in 2006, she joined Clear Water Developments Sdn Bhd as Chief Operating Officer, a position she assumes to present. Her responsibilities include overall operations management and planning of property development projects, including feasibility studies, land purchase negotiation, project design and conceptualisation, appointment of contractors as well as strategising marketing and pricing strategies.

She does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest with the Company.

She has not been 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.

Time committed:

Board meetings' attendance in 2021: 4/4

BOARD OF DIRECTORS' PROFILE

(Cont'd)



Quek Yan Song,
Alternative Director to Managing Director
Malaysian, Age 27
Male

Date of appointment as Director: 15 June 2020
 Length of service as director since appointment: 1 year 9 months

Board Committee(s) Membership: NA

Academic/Professional Qualification(s): Bachelor Degree of Business (Marketing)
 at RMIT Australia in 2017

Present Directorship(s) in other Public Companies and Listed Companies : NA

Working experience:

He is mainly responsible for managing the overall sales and marketing and business development activities of our Group, including the D&D of new home furniture.

Upon completing his studies in RMIT University, 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 February 2021, he was appointed as an Alternate Director to Managing Director Mr Quek Wee Seng.

Quek Yan Song is the son to Quek Wee Seng who is our Managing Director and a substantial shareholder of Mobilia.

He has not been 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.

Time committed:

Board meetings' attendance in 2021: 4/4

KEY MANAGEMENT'S PROFILE

***Tan Ley Wun,
Group Accountant
Malaysian, Age 42
Female***



Date of appointment to current position: 1 March 2020
Length of service in the group of companies : 4 years 9 months

Committee(s) Membership :
Member of Risk Management committee
Member of Internal Audit Control committee

Academic/Professional Qualification(s):
Bachelor of Arts in Accounting from University of Hertfordshire, United Kingdom in 2000
Member of the ACCA in 2005 and fellow member of ACCA in 2010
Member of MIA in 2017

Present Directorship(s) in other Public Companies and Listed Companies: NA

Working experience:

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.

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

Notes:

- She has no family relationship with any Director and/or major shareholder of Mobilia.
 - She does not have any conflict of interest with Mobilia.
 - She has not been convicted for any offences within the past 5 years.
- There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year 2021.

KEY MANAGEMENT'S PROFILE

(Cont'd)



Khoo Ai Lee,
Human Resource & Administration Director
Malaysian, Age 55
Female

Date of appointment to current position: 1 January 2020
 Length of service in the group of companies : 10 years 8 months

Committee(s) Membership : Chairman of ISO committee
 Chairman of Risk Management committee
 Chairman of Internal Audit Control committee
 Member of Safety & Health committee

Academic/Professional Qualification(s):
 Bachelor of Art in Management from Walsh University, Ohio, United States of America in 1993

Present Directorship(s) in other Public Companies and Listed Companies: NA

Working experience:

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.

Notes:

- She has no family relationship with any Director and/or major shareholder of Mobilia.
 - She does not have any conflict of interest with Mobilia.
 - She has not been convicted for any offences within the past 5 years.
- There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year 2021.

KEY MANAGEMENT'S PROFILE

(Cont'd)

Ku Yong Yee,
Manager
Malaysian, Age 45
Male



Date of appointment to current position: 9 October 2017
 Length of service in the group of companies : 4 years 4 months

Committee(s) Membership : Member of ISO committee
 Member of Risk Management committee
 Member of Internal Audit Control committee
 Member of Safety & Health committee

Academic/Professional Qualification(s):
 Bachelor of Commerce in Management and Marketing from Curtin University of Technology,
 Australia in 2000

Present Directorship(s) in other Public Companies and Listed Companies: NA

Working experience:

He is responsible for our Group's purchasing and inventory management.

Upon completing his tertiary education, he joined Chongee Enterprise Sdn Bhd 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..

Notes:

- He has no family relationship with any Director and/or major shareholder of Mobilia.
- He does not have any conflict of interest with Mobilia.
- He has not been convicted for any offences within the past 5 years.
 There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year 2021.

KEY MANAGEMENT'S PROFILE

(Cont'd)



***Wong Eng Chuan,
Factory Manager
Malaysian, Age 51
Male***

Date of appointment to current position: 1 January 2011
Length of service in the group of companies : 11 years 7 months

Committee(s) Membership : Member of ISO committee
Member of Risk Management committee
Member of Internal Audit Control committee
Member of Safety & Health committee

Academic/Professional Qualification(s): NA

Present Directorship(s) in other Public Companies and Listed Companies: NA

Working experience:

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.

Notes:

- He has no family relationship with any Director and/or major shareholder of Mobilia.
- He does not have any conflict of interest with Mobilia.
- He has not been convicted for any offences within the past 5 years.
There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year 2021.

SUSTAINABILITY STATEMENT

This report is our second year of reporting, and 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. We believe that our Group will remain sustainable as we continue to strengthen our focus in quality and productivity, our skill talent and our strong relationship with our stakeholders.

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 on our principal activities, i.e. design and manufacturing of home furniture from 1 January 2021 to 31 December 2021.

Sustainability Governance

The Senior 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 a zero-tolerance approach to bribery and corruption and the 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 within the 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 the Audit and Risk Management Committee by submitting the Whistleblowing Report Form or email to whistleblowing@mobiliainternational.com as stipulated in the Whistleblowing Policy. Whistleblowers' 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 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 to ensure that they are 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 FYE 2021 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	Regularly	- Group policies and procedures - Career development and training - Employees Safety & working environment - Group performance
Customers	- Field visits/ visual discussion & 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 Senior 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 Economic, Environmental and Social are provided in the next section.

SUSTAINABILITY STATEMENT (Cont'd)

Economic Impact

Our responsibilities to the society go 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 has been actively empowering the local community by welcoming interns under our internship placement programme from various higher learning institutions and universities in Malaysia. In 2021, the Group had initially welcomed 4 interns to participate in our internship placement programme. However, 1 of the interns subsequently decided to withdraw from the internship programme with Mobilia citing increasing Covid-19 cases reported at several furniture companies in Muar. Further details on the internship trainee program are as follow:

Internship Trainee Program	2018-2019	2019-2020	2020-2021
Number of junior executives employed	13	8	4

***Note:** The number of participants for the internship program reduced in year 2020 & 2021 due to the Covid-19 pandemic.

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 related to the furniture industry while solving the problem of youth unemployment due to skills mismatch.

Although this programme has not been offered since last two years by MFC, VTAR Institute and JPK, Mobilia is steadfast to participate in such programmes 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 RM1.92 million in 2021) 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 to our commitment to produce high quality, environmentally and socially responsible product that meet customers and regulatory requirements for the sustainable growth of the business.

Environmental Impact

Our environmental commitment includes to address our own impact, support our suppliers and clients and raise our employees’ awareness of “green” issues.

We have a role in educating our employees about how they can reduce their environmental impact at home as well as at work. We installed recycling bins to encourage employees to segregate their office waste into recyclable and non-recyclable wastes to be more environmental friendly. Furthermore, we promote efficiency in water usage by getting our employees to be involved in water-saving practices by putting up reminder posters at operation plants and workplace. The Group has also decided to use e-annual report from this year onwards and cut down the quantity of printed hard copies as part of our effort to protect the environment. We thank you all our shareholders for collaborating with the Group in the effort by downloading the soft copy of this annual report via our official corporate website : www.mobiliainternational.com.

SUSTAINABILITY STATEMENT (Cont'd)

We have appointed a qualified waste contractor for wood waste and scheduled waste management as a long-term initiative to encourage responsible waste disposal. In our own operations, with the adoption of our Safety and Health policy, we embarked on a journey to strengthen and standardise our environmental management across all our operation plants. In line with this practice, two employees were enrolled for a certified safety officer course and they will be responsible for ensuring that all our operations comply with relevant environmental laws and regulations at all times.

For any investment in new facilities, environmental criteria will be considered in the planning phase, particularly on the energy consumption for lighting, cooling, operating forklifts and other handling equipment. We aim to increase energy efficiency and choose lower carbon sources of energy where possible. Hence, energy efficient lighting is used which includes the installation of smart LED system, “turn on only when needed” and “turn off at night” policies are adopted and air-conditioning system are carefully calibrated. In recent years, we have upgraded IT communication capabilities and promoted virtual conference and video calls to reduce unnecessary travel which have been proven to be practical during the Covid-19 pandemic.

Social Impact

Mobilia's aims to strike a balance between our organisation's growth and our responsibility in adding value to our society. Therefore, we remained steadfast and continued to support our local underprivileged communities. Despite the challenges that impacted our ability to execute our planned initiatives due to the strict movement control restrictions imposed in FYE 2021, we fulfilled our social obligations by contributed financial aid for terminally ill and poor needy patients. This programme was launched with the collaboration of the Medical Social Department with Malaysian Association Help for The Poor Terminally Ill and Persekutuan Orang Pekak Malaysia.

Employee recognition is a key part of our approach to retain talent. It is the foundation of cultivating a culture of self-improvement in the workplace that will have boost staff morale and productivity. Employee recognition includes our focus on promoting internal mobility across markets and organisational units, which enables our employees to gain new experiences. We also offer job openings internally to foster career progression and recruit externally only if no suitable internal applications are received.

Mobilia has filled up vacant positions with those who have most embodied our corporate values, especially for employees at management level. Our Mobility Guidelines is to provide guidance to support employees as they move along with the company and we also celebrate employees who have most embodied our corporate values through the Mobilia Loyalty Awards. Mobilia recognises employees who have committed 10 years of service to the company. We promote these simple ways of showing appreciation to our staffs as staff recognition can have a big impact on staff morale and productivity.

Loyalty Awards	FY2020	FY2021
Number of Recipients	7	2

Mobilia also introduced a career comeback program to recruit and retain retired people who have been on career break but are keen to re-enter the workforce for more flexible working environment. Initiatives to support this program include having part-time options as well as flexible working hours.

Career comeback program	FY2019	FY2020	FY2021
Number of comeback hires/ retired staff retained	2	2	2

SUSTAINABILITY STATEMENT (Cont'd)

Occupational health and safety

Employees are our most important assets and health and safety in the workplace remain a top priority at Mobilia. Our occupational health and safety focus on workplace safety and covers risks related to people and the environment including transportation, storage and handling of dangerous goods and hazardous materials. We have established a working Health, Safety and Environment (“HSE”) committee whereby committee members are selected by their respective Administration and Operation divisions to work together with the local HSE plans as well as implementation of HSE policy, procedures and best practice across sites. Training and education are important elements in ensuring all employees are aware of health and safety requirements and taking responsibility for their own well-being and the safety of others. All employees receive comprehensive HSE induction training on top of any job-specific training that is required.

We are committed to taking all the necessary precautions to prevent harm to anyone operating at any of our facilities through adequate safety procedures, including the provision of signage, safety equipment and personal protective gear.

Last year, the Covid-19 pandemic has had adverse effects on the routine of all workers' work life. The management established a Covid Health Support Team with an appropriate pandemic response plan to protect employee's health. In-house Awareness Campaign and extended messaging on the importance of health such as health-related video, latest information updates and vaccination are delivered through Mobilia “Family Chat Group”.

We obtained the PERAKUAN PENGINAPAN which is required by the of Workers' Minimum Standards of Housing and Amenities Act 446 (Amendment) 2019 from 2021 to 2024.

Our reported injury cases from 2019 to 2021 are:

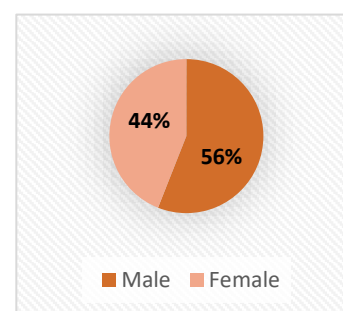
Reported Injury	FYE 2019	FYE 2020	FYE 2021
Number of Cases	0	7	1

***Note:** All above stated injuries are categorised as minor injury.

Workforce Diversity

In our Group, we foster a corporate culture that respects diversity without discrimination on gender, age or race. We are committed to ensure that all our employees have equal opportunities regarding remuneration, development and evolution without making any discrimination on their age, gender, religion and race. The following chart shows the diversity, and gender composition of the Group's workforce.

Gender	Executive	Non-Executive	Total	Percentage (%)
Male	33	8	41	56
Female	20	12	32	44
Total	53	20	73	100



***Note:** Above data are based on local workforce as at 31 December 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to Rule 15.25 of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Securities and Guidance Note 11 of AMLR, the Board is pleased to present this Corporate Governance (“**CG**”) Overview Statement to provide shareholders and investors with an overview of the CG practices of the Group during the financial year ended 31 December 2021. This statement is to be read together with the Group’s Corporate Governance Report 2021 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 (“**MCCG**”) issued on 28 April 2021, 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 Nomination Committee (“**NC**”).

To ensure 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The Company Secretaries have the requisite credentials and is suitably qualified to act as Company Secretaries under Section 235(2) of the Act. The Company Secretaries play 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.

The Company Secretaries organise and attend all Board and Board Committees meetings. Meeting notice and agenda will be 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 Secretaries by way of minutes of meetings and circulated to Board accordingly.

The Board and Board committees met four times during the FYE 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 fulfilled their roles and responsibilities in the FYE 2021, through their attendance at the meetings of the Company as set out in the table below: -

	Board	ARMC	NC	RC
Executive Directors				
Quek Wee Seng (Managing Director)	4/4	-	1/1	-
Quek Wee Seong (Executive Director)	4/4	-	-	-
Alternate Director				
Quek Yan Song	4/4	-	-	-
Independent Non-Executive Directors				
Datin Siah Li Mei (Chairman)	4/4	4/4	1/1	1/1
Tajul Arifin Bin Mohd Tahir	4/4	4/4	1/1	1/1
Lim See Tow	4/4	4/4	-	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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 has adopted a zero-tolerance approach to bribery and corruption and the 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 honest, ethical and transparent manner. This policy is accessible through the Company website at www.mobiliainternational.com.

Whistle Blowing Policy

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

II. Board Composition

The composition of the Board is in compliance with the AMLR and the MCCG, whereby three Directors are Independent Non-Executive Directors, accounting for 60% of the Board composition. In addition, the Board currently has two female Independent Non-Executive Directors, representing 40% of the Board, which meets the gender equality principles as set out in the MCCG.

The NC is chaired by the Independent Non-Executive Chairman, Datin Siah Li Mei. The appointment of Directors and Senior 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 NC 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 which the Group operates in.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Directors	Courses / Training Programmes Attended
Datin Siah Li Mei	- Islamic Finance and Banking (Session 1) - From Letter of Offer to Closing - Essential Elements of A Financing Transaction - Impact of the Federal Court Decisions in PJD Regency 2021, Ang Ming Lee 2020, Country Garden Danga Bay 2021 for Liquidated Ascertained Damages ('LAD') Claims and Delivery of Vacant Possession ('VP') - Tax Webinar - Session 1 - Tax Law Principles: Introduction to Key Principles such as Rules of Interpretation, Foreign Source Income and Classes of Income - Tax Webinar - Session 2 - Taxable Income: What are The Sources of Income Subject to Income? - CCLC Conference - Session 1: Insolvency Law - Restructuring Options under the Companies Act 2016 - CCLC Conference Day 2 Session 3: Companies Legislation and Companies Commission of Malaysia - Company Legislation and Practice — Developments and Points of Discussion - CCLC Conference Day 2 Session 4: Digital/Electronic Signatures Legislation and Developments - Digital and Electronic Signatures - The Way Forward? - CCLC Conference Day 3 Session 5: Environmental, Social and Governance (ESG) - MCCG and the Rise of ESG 8 Sep 2021 4:00 pm to 5:00 pm - CCLC Conference Day 4 Session 2 Session 8: Tax Law - Recent Adventures in Suing the Tax Authorities - CCLC Conference Day 5 Session 9: Section 17A of the Malaysian Anti-Corruption Commission Act 2009 - Navigating Waves of Corporate Liability - CCLC Conference Day 5 Session 10: Competition Law - Merger Control: Gamechanger or Dealbreaker? - ESG Aspects of Legal Due Diligence in M&A: A Deal Breaker?
Quek Wee Seng	Understand the Sustainability and the ways to adopt & report
Quek Wee Seong	Understand the Sustainability and the ways to adopt & report
Tajul Arifin Bin Mohd Tahir	Understand the Sustainability and the ways to adopt & report
Lim See Tow	- Integrated Reporting: The Asean Experience - Weathering The COVID 19 Storm - Directors' Duties and Climate Change - Essentials on Corporate Reporting and Assurance - The Corporate Governance Landscape in Malaysia: Going Beyond The Rules - Tax Budget Seminar 2022 - Fraud Risk Management Workshop 2021
Quek Yan Song	Understand the Sustainability and the ways to adopt & report

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

III. Remuneration

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

The RC 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 will abstain from voting in respect of their individual remuneration.

For the FYE 2021, a summary remuneration of the Directors as set out below:

Directors' remuneration and material benefits in-kind

	Salaries	Director Fees	Bonus/ Ex gratia payment	EPF and SOC SO	Allowances and Benefits-in- kind	Total
FYE 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Executive Directors</u>						
Quek Wee Seng	246.1	-	178.6	51.9	25.9	502.5
Quek Wee Seong	241.2	-	89.3	40.6	28.2	399.3
<u>Non-Executive Directors</u>						
Datin Siah Li Mei	-	42.0	-	-	4.9	46.9
Tajul Arifin bin Mohd Tahir	-	42.0	-	-	4.9	46.9
Lim See Tow	-	42.0	-	-	4.9	46.9
<u>Alternate Director</u>						
Quek Yan Song	45.8	-	11.5	7.9	-	65.2

Key Senior 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 Senior Management personnel due to the confidentiality and sensitivity of their remuneration package, and concerns over potential poaching by competitors and head hunters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The ARMC comprises of three Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director, Ms Lim See Tow. She is a member of MIA and is in compliance with the Rule 15.09(1)(c)(i) of the AMLR of Bursa Securities. 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, all 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 36 of this Annual Report.

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 Senior Management on a 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 independent professional service provider to provide an independent appraisal over the system of internal control of the Group and reported 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, 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.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The Board will consistently consider various approaches to develop a strategic corporate reporting that presents 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 provides a principal forum for dialogue and interaction between the Board and its shareholders and investors. The Company dispatched its Notice of AGM to shareholders at least twenty-eight days before the AGM. This will provide the shareholders sufficient time to consider the resolutions and make necessary arrangement to attend and participate either in person, by corporate representative, by proxy or by attorney.

The Board Chairman and Committee members including the ARMC, RC and NC the external auditors and where applicable, other advisers of the Company would commit themselves to be present at the AGM. The shareholders are encouraged to raise their questions during the Question & Answer ("Q&A") session in the upcoming AGM with regards to the Group's activities and prospects as well as to communicate their expectations and concerns.

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. In view of the Covid-19 outbreak and in the line with the MCCG's Practice 13.3, the Company had leveraged technology to facilitate greater shareholder's participation by conducting the First AGM and Extraordinary General Meeting ("EGM") held on 22 June 2021 and 20 October 2021 respectively on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities.

COMPLIANCE STATEMENT

The Board believes that the Company has adopted the principles and recommendations of the MCCG 2021 in all material aspects, save as disclosed therein, for the FYE 2021.

This Corporate Governance Overview Statement was approved by the Board of Directors on 22 April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1. Composition and Attendance

The Audit and Risk Management Committee (“**ARMC**”) comprises three (3) members who are Independent Non-Executive Directors of our Company. The current composition of ARMC meets the requirement of Rules 15.09 and 15.10 of ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Securities as well as Practice Note 9.1 and 9.4 of the MCCG.

The ARMC held four meetings during the financial year ended 31 December 2021. The members of the ARMC and the record of attendance are as follows:

Name	Designation	Attendance
Lim See Tow (Independent Non-executive Director)	Chairman	4/4
Tajul Arifin Bin Mohd Tahir (Independent Non-executive Director)	Member	4/4
Datin Siah Li Mei (Independent Non-executive Chairman)	Member	4/4

The Terms of Reference (“**TOR**”) of the ARMC 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: www.mobiliainternational.com.

2. Summary of Activities

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

2.1 Examine 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 with 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.

2.2 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 Board
- 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

2.3 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 program, processes, the results of the internal audit program, 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 ("ERM") framework.

2.4 Related Party Transactions

- review the related party transactions and situations where a conflict of interest may arise within the Group and the 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.

2.5 Others

- review of application of Corporate Governance principles and ensure that the Group is in compliance with the best practices set out under the MCCG.
- 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.
- Review the ARMC's TOR from time to time.

Through the review and assessment by NC, the Board was satisfied that the ARMC has effectively discharged its duties, functions and responsibilities in accordance with the TOR.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (Cont'd)

3. Internal Audit Function

Internal audit function provides ARMC an 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 internal auditor ("**Internal Auditor**" or "**IA**"), Tricor Axcelasia Sdn Bhd to carry out the internal audit function. The Internal Auditor adopts a risk-based approach and performs its work as guided by the International Professional Practices Framework (IPPF) in all material respect.

The internal audit plan for financial year 2021 has taken into consideration the corporate risk profile, input from senior management of the Company and ARMC, and was approved by the ARMC. The scope of review carried out by the IA on internal control of the selected subsidiary are as follows:

- Purchasing function covering sourcing process, ordering and vendor management
- Sales and receivable function covering sales orders and delivery, receivable collection and customer response.

The professional fee incurred for the internal audit function for the financial year 2021 was RM22,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the AMLR of Bursa Securities, 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” and Practice 10.1 and 10.2 of the MCCG. This statement outlines the nature and scope of internal control and risk management of the Group for the financial year ended 31 December 2021.

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 recognises 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 independent consultant (“**Consultant**”) for establishment of ERM. 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 ARMC are tasked to review the implementation of risk management process, provide guidance and monitor effectiveness of mitigation action plans taken by the Senior Management on an on-going basis.

The Group has appointed a consultant, Tricor Axcelasia Sdn Bhd in establishing a risk management policy statement, formalising ERM framework and facilitating the risk assessment of the Group. 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, analysed 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 the 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.

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

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;
- (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 has reviewed, approved and recommended the ERM framework and risk assessment prepared by the Consultant for the notation of the Board.

The on-going risk management process of the Group to identify, evaluate and manage risks are in place for the year under review and is 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

Internal audit function provides the 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 responsibility for reviewing the adequacy and integrity of the internal control system has been delegated by the Board to the ARMC.

The Group has appointed an Internal Auditor, Tricor Axcelasia Sdn Bhd to assist the ARMC in assessing the adequacy and effectiveness of the Group's internal control system.

The Internal Auditor adopt a risk-based approach and performs its work as guided by, in all material respect, the International Professional Practices Framework (IPPF).

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.

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

- Executive directors and head of departments meet regularly to discuss on the operational and corporate issues.
- The Board oversee the Group's activities, operations and significant changes in the business and external environment which may result in significant risks on a quarterly basis.

Review of the statement by external auditors

Pursuant to Rule 15.23 of the AMLR 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 MIA for inclusion in the Annual Report of the Group for the financial year ended 31 December 2021. 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 is 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, and that 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 MD and Group Accountant that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

The Group believes 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 is made accordance with the resolution of the Board dated 22 April 2022.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING (“IPO”)

The utilisation of proceeds disclosed below should be read in conjunction with the Prospectus of the Company dated 3 February 2021. As at 31 December 2021, the utilisation 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	Deviation RM'000	Balance RM'000	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾
(1) Capital expenditure					
(a) Construction of office and showroom (Phase 1B)	2,500	(758)	-	1,742	Within 24 months
(b) Construction of Factory Blocks B and C (Phase 2)	3,300	(38)	-	3,262	Within 24 months
(c) Purchase of machineries	1,300	(722)	-	578	Within 24 months
	7,100	(1,518)	-	5,582	
(2) Repayment of borrowings	1,800	(1,800)	-	-	Within 1 month
(3) Working capital ⁽²⁾	1,900	(1,998)	98	-	Within 1 month
(4) Estimated listing ⁽²⁾ expenses	3,000	(2,902)	(98)	-	Within 1 month
	13,800	(8,218)	-	5,582	

Notes:

- 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 re-allocated 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 2021 are as follows:

	The Company RM ('000)	The Group RM ('000)
Audit fees	28	68
Non audit fees	5	5

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 Act and the AMLR of Bursa Securities.

It is the responsibility of the Directors to ensure that the 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 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 2021 have been prepared by adopting appropriate accounting policies which are applied consistently. Based on that, the Board are able to ensure the judgments and estimates made are reasonable and relevant to financial statements. The Board also considers that the relevant approved accounting standards have been followed and confirms that the financial statements have been prepared on a going concern basis.

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

45	Directors' Report
52	Statement by Directors
52	Statutory Declaration
53	Independent Auditors' Report
57	Statements of Financial Position
58	Statements of Profit or Loss and Other Comprehensive Income
59	Statements of Changes in Equity
61	Statements of Cash Flows
63	Notes to the Financial Statements

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

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

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	8,035,402	123,778

DIVIDEND

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM 23,596,001 to approximately RM 37,396,001 (before deducting share issuance expenses of RM 700,000) by issuance of 359,999,992 new ordinary shares pursuant to the following:
 - (i) 60,000,000 ordinary shares at an issue price of RM 0.23 per ordinary share, as part of the listing scheme of the Company on ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"); and
 - (ii) 299,999,992 ordinary shares by way of bonus issues on the basis of three (3) new ordinary share for every four (4) existing ordinary shares held.

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

- (b) there were no issues of debentures by the Company.

DIRECTORS' REPORT (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the Warrants.

WARRANTS

Warrants 2021/2024

As at 31 December 2021, the summary of the movements of warrants is as follows:

Issue date	Expiry date	Number of warrants			
		At 01.01.2021	Issued	Exercised	At 31.12.2021
11.11.2021	08.11.2024	-	174,999,136	-	174,999,136

The ordinary shares issued from the exercise of Warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividend, right, allotment and/or other distribution declared, made, or paid prior to the relevant date of allotment and issuance of the new shares arising from the exercise of Warrants. Further details on the Warrants are detailed in Note 14 to the financial statements.

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.

DIRECTORS' REPORT

(Cont'd)

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 year 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 year.

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 year 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.

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 year 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 year 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 year 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.

DIRECTORS' REPORT (Cont'd)

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

DIRECTORS

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

Quek Wee Seng
 Quek Wee Seong
 Lim See Tow
 Datin Siah Li Mei
 Tajul Arifin Bin Mohd Tahir
 Quek Yan Song (Alternate to Quek Wee Seng)

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

DIRECTORS' INTERESTS

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

The Company

		Number of Ordinary Shares				
		At 01.01.2021	Bought	Sold	Adjustment #	At 31.12.2021
Quek Wee Seng	- Direct	21,760,000	-	(20,000,000)	1,320,000	3,080,000
	- Indirect ⁽¹⁾	318,240,000	-	(41,500,300)	207,554,775	484,294,475
Quek Wee Seong	- Direct	21,760,000	-	(20,000,000)	1,320,000	3,080,000
	- Indirect ⁽²⁾	315,520,000	-	(39,040,000)	207,360,000	483,840,000

		Number of Warrants				
		At 01.01.2021	Entitled	Disposed	Exercised	At 31.12.2021
Warrants 2021/2024						
Quek Wee Seng	- Direct	-	770,000	(400,000)	-	370,000
	- Indirect ⁽¹⁾	-	121,073,618	(78,501,700)	-	42,571,918
Quek Wee Seong	- Direct	-	770,000	-	-	770,000
	- Indirect ⁽²⁾	-	120,960,000	(78,901,700)	-	42,058,300

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS (CONT'D)

Holding company – Exelient Sdn. Bhd. (“ESB”)

	Number of Ordinary Shares			
	At 01.01.2021	Bought	Sold	At 31.12.2021
Quek Wee Seng	500,001	-	-	500,001
Quek Wee Seong	500,001	-	-	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 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 and his direct interests in ESB.

The number of shares has been adjusted to reflect the bonus issue of 3 for every 4 existing ordinary shares which was completed on 5 November 2021.

By virtue of their shareholdings in ESB, Quek Wee Seng and Quek Wee Seong are deemed to have interests in shares of the Company and its subsidiaries during the financial year 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 year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit 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 29 to the financial statements.

Neither during nor at the end of the financial year 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' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 22 to the financial statements.

DIRECTORS' REPORT

(Cont'd)

INDEMNITY AND INSURANCE COST

During the financial year, 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 YEAR

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

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 34 to the financial statements.

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DIRECTORS' REPORT

(Cont'd)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

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

Signed in accordance with a resolution of the directors dated 03 March 2022.

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 57 to 114 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 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 03 March 2022.

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 57 to 114 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
this 03 March 2022

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 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 114.

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 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Key Audit Matters (Cont'd)

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 9 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
The Group held inventories with carrying amount of RM 15,076,270 as at 31 December 2021. 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.

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.

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

Responsibilities of the Directors for the Financial Statements (Cont'd)

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

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

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public 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

Gan Hwee Ling
03516/08/2022J
Chartered Accountant

Muar, Johor Darul Takzim
Date: 03 March 2022

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		The Group		The Company	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	6	39,373,367	37,113,586	-	-
Right-of-use assets	7	3,079,807	1,974,845	-	-
Investment in subsidiaries	8	-	-	23,596,000	23,596,000
		<u>42,453,174</u>	<u>39,088,431</u>	<u>23,596,000</u>	<u>23,596,000</u>
CURRENT ASSETS					
Inventories	9	15,076,270	9,796,535	-	-
Trade receivables	10	11,274,426	8,427,159	-	-
Other receivables, deposits and prepayments	11	2,101,039	2,569,061	4,306,502	74,369
Short-term investment	12	5,049,215	-	-	-
Current tax assets		33,986	339,104	15,000	-
Fixed deposits with licensed banks	13	7,650,000	3,541,388	7,000,000	-
Cash and bank balances		11,060,473	10,531,865	1,838,139	1
		<u>52,245,409</u>	<u>35,205,112</u>	<u>13,159,641</u>	<u>74,370</u>
TOTAL ASSETS		<u>94,698,583</u>	<u>74,293,543</u>	<u>36,755,641</u>	<u>23,670,370</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	36,696,001	23,596,001	36,696,001	23,596,001
Re-organisation reserve	15	(22,496,000)	(22,496,000)	-	-
Retained profits/(Accumulated losses)		39,168,342	31,132,940	2,381	(121,397)
TOTAL EQUITY		<u>53,368,343</u>	<u>32,232,941</u>	<u>36,698,382</u>	<u>23,474,604</u>
NON-CURRENT LIABILITIES					
Bank borrowings	16	17,282,028	18,994,948	-	-
Lease liabilities	17	1,531,673	1,229,866	-	-
Deferred tax liabilities	18	1,753,000	1,530,000	-	-
		<u>20,566,701</u>	<u>21,754,814</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Trade payables	19	5,708,681	5,369,284	-	-
Other payables and accruals	20	7,187,129	6,017,024	57,259	195,766
Bank borrowings	16	7,084,373	8,459,736	-	-
Lease liabilities	17	783,356	459,744	-	-
		<u>20,763,539</u>	<u>20,305,788</u>	<u>57,259</u>	<u>195,766</u>
TOTAL LIABILITIES		<u>41,330,240</u>	<u>42,060,602</u>	<u>57,259</u>	<u>195,766</u>
TOTAL EQUITY AND LIABILITIES		<u>94,698,583</u>	<u>74,293,543</u>	<u>36,755,641</u>	<u>23,670,370</u>

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

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

	Note	The Group		The Company	
		01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM	01.01.2021 to 31.12.2021 RM	06.02.2020 to 31.12.2020 RM
REVENUE	21	70,114,762	76,404,081	1,500,000	-
OTHER INCOME		1,131,931	627,702	-	-
CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		2,699,393	981,177	-	-
RAW MATERIALS USED		(38,038,379)	(39,291,261)	-	-
DEPRECIATION		(2,127,541)	(1,962,279)	-	-
STAFF COSTS	23	(15,728,484)	(16,937,866)	(159,245)	(58,500)
OTHER EXPENSES		(8,281,131)	(10,279,186)	(1,289,834)	(62,897)
RESULTS FROM OPERATING ACTIVITIES		9,770,551	9,542,368	50,921	(121,397)
INTEREST INCOME		231,097	114,400	72,857	-
PROFIT/(LOSS) BEFORE TAX	25	10,001,648	9,656,768	123,778	(121,397)
INCOME TAX EXPENSE	26	(1,966,246)	(1,001,638)	-	-
PROFIT/(LOSS) AFTER TAX AND TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR/ PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		8,035,402	8,655,130	123,778	(121,397)
EARNINGS PER SHARE (RM)	27				
Basic		0.01	0.01		
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 ENDED 31 DECEMBER 2021

			<u>Non distributable</u>	<u>Distributable</u>	
	Note	Share capital RM	Re-organisation reserve RM	Retained profits RM	Total equity RM
The Group					
Balance at 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
Contributions by and distributions to owners of the Company					
- Incorporation of the Company		1	-	-	1
- Issuance of shares for the acquisition of subsidiaries	14	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 / 1 January 2021		23,596,001	(22,496,000)	31,132,940	32,232,941
Profit after tax and total comprehensive income for the financial year		-	-	8,035,402	8,035,402
Contributions by and distributions to owners of the Company					
- Issuance of shares for public issue	14	13,800,000	-	-	13,800,000
- Share issuance expenses	14	(700,000)	-	-	(700,000)
Balance at 31 December 2021		36,696,001	(22,496,000)	39,168,342	53,368,343

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

		Share capital RM	<u>Distributable</u> Accumulated losses RM	Total equity RM
	Note			
The Company				
Balance at 6 February 2020 (Date of incorporation)		1	-	1
Loss after tax and total comprehensive expenses for the financial period		-	(121,397)	(121,397)
Contributions by owners of the Company				
- Issuance of shares for the acquisition of subsidiaries	14	23,596,000	-	23,596,000
Balance at 31 December 2020 / 1 January 2021		23,596,001	(121,397)	23,474,604
Profit after tax and total comprehensive income for the financial year		-	123,778	123,778
Contributions by and distributions to owners of the Company				
- Issuance of shares for public issue	14	13,800,000	-	13,800,000
- Share issuance expenses	14	(700,000)	-	(700,000)
Balance at 31 December 2021		36,696,001	2,381	36,698,382

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	The Group		The Company	
	01.01.2021 to 31.12.2021	01.01.2020 to 31.12.2020	01.01.2021 to 31.12.2021	06.02.2020 to 31.12.2020
Note	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before tax	10,001,648	9,656,768	123,778	(121,397)
Adjustments for:				
Depreciation of property, plant and equipment	1,720,163	1,617,483	-	-
Depreciation of right-of-use assets	407,378	344,796	-	-
Deposits forfeited	-	(28,610)	-	-
Dividend income from a subsidiary	-	-	(1,500,000)	-
Dividend income from quoted investment	-	(1,250)	-	-
Gain on disposal of quoted investment	-	(16,736)	-	-
Listing expenses	810,839	1,108,776	810,839	20,563
(Gain)/Loss on disposal of property, plant and equipment	(224,999)	17,299	-	-
Property, plant and equipment written off	12,960	206,126	-	-
Unrealised loss on foreign exchange	29,745	148,345	-	-
Interest expenses	844,141	999,339	-	-
Interest income	(181,882)	(114,400)	(72,857)	-
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	13,419,993	13,937,936	(638,240)	(100,834)
Inventories	(5,279,735)	(3,277,611)	-	-
Trade receivables	(2,847,267)	(3,779,967)	-	-
Other receivables, deposits and prepayments	826,414	(566,248)	(4,232,133)	(74,369)
Trade payables	339,397	300,631	-	-
Other payables and accruals	26,046	1,693,339	(138,507)	195,766
CASH FROM/(FOR) OPERATIONS	6,484,848	8,308,080	(5,008,880)	20,563
Interest received	181,882	114,400	72,857	-
Tax paid	(1,438,128)	(1,425,644)	(15,000)	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	5,228,602	6,996,836	(4,951,023)	20,563

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

		The Group		The Company	
		01.01.2021 to 31.12.2021	01.01.2020 to 31.12.2020	01.01.2021 to 31.12.2021	06.02.2020 to 31.12.2020
	Note	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Addition of right-of-use assets	28(a)	(242,901)	-	-	-
Deposit paid for purchase of property, plant and equipment	11(b)	(358,392)	-	-	-
Dividend received from quoted investment		-	1,250	-	-
Dividend received from a subsidiary		-	-	1,500,000	-
Purchase of property, plant and equipment	28(a)	(2,841,262)	(5,727,263)	-	-
Proceeds from disposal of quoted investment		-	89,236	-	-
Proceeds from disposal of property, plant and equipment		225,000	32,000	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(3,217,555)	(5,604,777)	1,500,000	-
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Interest paid	28(b)	(844,141)	(999,339)	-	-
Drawdown of bankers' acceptances	28(b)	11,067,733	17,545,999	-	-
Drawdown of term loans	28(b)	208,568	4,423,713	-	-
(Increase)/decrease in fixed deposit pledged		(650,000)	72,050	-	-
Payment of listing expenses		(810,839)	(1,246,576)	(810,839)	(20,563)
Proceeds from issuance of ordinary shares		13,100,000	1	13,100,000	1
Repayment of bankers' acceptances	28(b)	(12,762,184)	(14,561,679)	-	-
Repayment of lease liabilities	28(b)	(651,604)	(296,039)	-	-
Repayment of term loans	28(b)	(1,602,400)	(484,510)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		7,055,133	4,453,620	12,289,161	(20,562)
NET INCREASE IN CASH AND CASH EQUIVALENTS		9,066,180	5,845,679	8,838,138	1
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(29,745)	(148,345)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		14,073,253	8,375,919	1	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	28(d)	23,109,688	14,073,253	8,838,139	1

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

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

Registered office	:	No. 7 (1 st Floor) Jalan Pesta 1/1 Taman Tun Dr. Ismail 1 Jalan Bakri 84000 Muar Johor Darul Takzim
Principal place of business	:	1st and 2nd Floor Plot 63 PTD 13189 No. 15 Jalan Sinar Bakri Bukit Bakri Jalan 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 3 March 2022.

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

3. 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.

4. BASIS OF PREPARATION

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

4. BASIS OF PREPARATION (CONT'D)

- 4.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendment to MFRS 16: Covid-19-Related Rent Concessions

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

- 4.2 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 year:

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 10 and MFRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17	: Insurance Contracts	1 January 2023
Amendment to MFRS 17	: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 112	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116	: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 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.

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 6 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 9 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 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 Critical accounting estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(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 33,986 and RM 15,000 (31.12.2020: current tax assets of RM 339,104 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.

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.

5.2 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 control 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 Basis of consolidation (Cont'd)

5.2.1 Business combinations within the scope of MFRS 3

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 statement 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 Basis of consolidation (Cont'd)

5.2.1 Business combinations within the scope of MFRS 3 (Cont'd)

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.

5.2.2 Business combinations under common control

A business combinations involving entity under common control is a business combinations in which all the combining entities or subsidiaries are ultimately controlled by the same party or parties both before and after the business combinations, 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 combinations 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 ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 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.

5.4 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 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 ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 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 fair value changes do not include interest or dividend income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

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.

(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 (excluding interest expense) 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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 Financial instruments (Cont'd)

(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.

5.5 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 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. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. 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 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 ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 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 adjusted 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.

5.8 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 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 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.

5.10 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 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.10 Impairment (Cont'd)

(ii) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or 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.

5.11 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 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).

(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.

5.13 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.14 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.

5.15 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

5.16 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.17 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.

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.

5.18 Revenue from other sources and other operating income

(i) Dividend income

Dividend income from investments is recognised when the right 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
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
 (Cont'd)

6. PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold land	Buildings	Office equipment, renovation, furniture and fittings	Factory equipment, plant and machinery	Motor vehicles	Capital work- in-progress	Total
	RM	RM	RM	RM	RM	RM	RM
At cost							
At 1 January 2021	12,423,158	15,649,248	644,194	12,485,032	1,593,674	445,377	43,240,683
Additions	-	902,709	25,516	2,134,086	-	923,010	3,985,321
Reclassification (Note 7)	-	-	-	-	981,252	-	981,252
Disposals	-	-	-	-	(732,158)	-	(732,158)
Write off	(199)	(57,739)	(76,991)	(846,240)	-	-	(981,169)
At 31 December 2021	12,422,959	16,494,218	592,719	13,772,878	1,842,768	1,368,387	46,493,929
Less : Accumulated depreciation							
At 1 January 2021	-	266,063	457,648	4,326,723	1,076,663	-	6,127,097
Charge for the financial year	-	317,082	61,687	1,167,852	173,542	-	1,720,163
Reclassification (Note 7)	-	-	-	-	973,668	-	973,668
Disposals	-	-	-	-	(732,157)	-	(732,157)
Write off	-	(34,558)	(76,010)	(857,641)	-	-	(968,209)
At 31 December 2021	-	548,587	443,325	4,636,934	1,491,716	-	7,120,562
Carrying amount							
At 31 December 2021	12,422,959	15,945,631	149,394	9,135,944	351,052	1,368,387	39,373,367

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(Cont'd)

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

The Group

	Freehold land	Buildings	Office equipment, renovation, furniture and fittings	Factory equipment, plant and machinery	Motor vehicles	Capital work- in-progress	Total
	RM	RM	RM	RM	RM	RM	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 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

6. 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 16):

	The Group	
	31.12.2021 RM	31.12.2020 RM
Carrying amount		
Freehold land	12,422,959	12,423,158
Buildings	15,945,631	15,383,185
Capital work-in-progress	1,368,387	445,377
	29,736,977	28,251,720

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

7. RIGHT-OF-USE ASSETS

The Group

	Office and showroom RM	Factory RM	Motor vehicles RM	Factory equipment, plant and machinery RM	Total RM
At 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 / 1 January 2021	20,457	-	312,085	1,642,303	1,974,845
Additions	-	-	1,519,924	-	1,519,924
Reclassification (Note 6)	-	-	(7,584)	-	(7,584)
Depreciation	(14,441)	-	(173,060)	(219,877)	(407,378)
At 31 December 2021	6,016	-	1,651,365	1,422,426	3,079,807

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
 (Cont'd)

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

The Group leases certain office and showroom, factory, motor vehicles and factory equipment, plant and machinery 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) Motor vehicles | The Group has leased certain motor vehicles under hire purchase instalment plans with 3 to 5 (31.12.2020: 5) years lease terms. The leases bear effective annual interest rates at 1.49% to 4.44% (31.12.2020: 4.44%) and are secured by the leased assets. |
| (c) Factory equipment, plant and machinery | The Group has leased certain factory equipment, plant and machinery under hire purchase instalment plans with 5 (31.12.2020: 5) years lease terms. The leases bear effective annual interest rates at 5.82% to 6.00% (31.12.2020: 5.82% to 6.00%) and are secured by the leased assets. |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

8. INVESTMENT IN SUBSIDIARIES

		The Company		
		31.12.2021	31.12.2020	
		RM	RM	
At cost				
Unquoted shares		23,596,000	23,596,000	
		Percentage of issued share capital held by parent		
Name of subsidiary	Principal place of business/country of incorporation	31.12.2021	31.12.2020	Principal activities
		%	%	
Subsidiary of the Company				
Mobilia International Sdn. Bhd. ("MISB")	Malaysia	100	100	Investment holding, design, manufacturing and sale of furniture and furniture parts.
Subsidiary of MISB				
Mobilia Design Sdn. Bhd.	Malaysia	100	100	Ceased business operations since 1 April 2020 and commenced members' voluntary winding up on 12 June 2020.

9. INVENTORIES

		The Group	
		31.12.2021	31.12.2020
		RM	RM
Raw materials		8,585,434	6,005,092
Work-in-progress		3,788,941	2,323,333
Finished goods		2,701,895	1,468,110
		15,076,270	9,796,535
Recognised in profit or loss:			
Inventories recognised as cost of sales		35,338,986	38,310,084

10. TRADE RECEIVABLES

The Group's normal trade terms granted to customers range from cash term to 90 days credit (31.12.2020: cash term to 90 days credit) from date of invoices.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Amount owing by subsidiary	-	-	4,306,502	-
Deposits	758,900	758,900	-	-
Prepayments	631,242	928,746	-	74,369
Supplier deposits	462,905	873,334	-	-
Sundry receivables	247,992	8,081	-	-
	<u>2,101,039</u>	<u>2,569,061</u>	<u>4,306,502</u>	<u>74,369</u>

(a) The amount owing by subsidiary is unsecured, interest-free and repayable on demand.

(b) Included in supplier deposits is an amount of RM 358,392 (31.12.2020: RM 10,630) for purchase of property, plant and equipment.

12. SHORT-TERM INVESTMENT

	The Group	
	31.12.2021	31.12.2020
	RM	RM
Money market funds, at fair value	<u>5,049,215</u>	<u>-</u>

The money market funds represent investments in highly liquid money market instruments which are redeemable within one (1) day notice at known amounts of cash and are subject to an insignificant risk of changes in value.

13. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bear effective interest rates of 1.65% - 2.20% (31.12.2020: 1.45%) per annum and 2.20% (31.12.2020: NIL) per annum respectively. The fixed deposits have maturity period ranging from 5 to 12 months (31.12.2020: 1 month) and 5 months (31.12.2020: NIL).
- (b) Included in the fixed deposits with licensed banks of the Group as at 31 December 2021 is an amount of RM 650,000 pledged to a licensed bank as security for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

14. SHARE CAPITAL

	The Group and The Company			
	31.12.2021		31.12.2020	
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up				
Ordinary shares				
At 1 January 2021 / 6 February 2020 (Date of incorporation)	340,000,000	23,596,001	1	1
Issuance of new share pursuant to:				
- Acquisition of subsidiary (b)	-	-	339,999,999	23,596,000
- Public issue (c)	60,000,000	13,800,000	-	-
- Share issuance expenses	-	(700,000)	-	-
- Bonus issues (d)	299,999,992	-	-	-
At 31 December	<u>699,999,992</u>	<u>36,696,001</u>	<u>340,000,000</u>	<u>23,596,001</u>

- (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) On 18 November 2020, 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.
- (c) On 23 February 2021, the Company undertook a public issue of 60,000,000 new ordinary shares ("Public Issue") in conjunction with its initial public offering at an issuance price of RM 0.23 per ordinary share.
- (d) On 5 November 2021, the Company increased 299,999,992 new ordinary shares by way of bonus issues on the basis of 3 new ordinary share for every 4 existing ordinary share held.

Warrants 2021/2024

A total 174,999,136 bonus warrants were issued by the Company on 11 November 2021 on the basis of one (1) warrant for every four (4) existing ordinary shares held. Each warrant entitles the holder the right to subscribed for one (1) new ordinary share of the Company at an exercise price of RM 0.28. The warrants will expire on 8 November 2024.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(Cont'd)**

14. SHARE CAPITAL (CONT'D)

The salient terms of the warrants 2021/2024 ("Warrant") are as follows:-

- (a) The Warrants are constituted by a Deed Poll dated 20 October 2021.
- (b) The Warrants are traded separately.
- (c) The Warrants can be exercised any time during the tenure of 3 years commencing from the date of issue on 11 November 2021. Warrants not exercised during the aforesaid period will lapse and cease to be valid.
- (d) Each Warrant entitles the registered holder to subscribe for one new ordinary share in the Company.
- (e) Subject to the provisions in the Deed Poll, the Exercise Price and the number of Warrants held by each warrant holder shall from time to time adjusted by the Company in consultation with the approved adviser and certified by the auditors appointed by the Company.
- (f) Subject to the provisions in the Deed Poll, the Company is free to issue shares to shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the warrant holders will not have any participating rights in such issues unless otherwise resolved by the Company in general meeting.

15. RE-ORGANISATION RESERVE

The re-organisation reserve arose from the differences between carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under merger accounting principles.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
 (Cont'd)

16. BANK BORROWINGS

	The Group	
	31.12.2021	31.12.2020
	RM	RM
Current liabilities		
Secured - Bankers' acceptances	4,330,785	6,025,236
- Term loans	2,753,588	2,434,500
	7,084,373	8,459,736
Non-current liability		
Secured - Term loans	17,282,028	18,994,948
	24,366,401	27,454,684
Total bank borrowings		
Secured - Bankers' acceptances	4,330,785	6,025,236
- Term loans	20,035,616	21,429,448
	24,366,401	27,454,684

- (a) The bank borrowings are secured by the followings:
- (i) Freehold land and buildings of the Group (Note 6(a));
 - (ii) Fixed deposit with a licensed bank (Note 13); and
 - (iii) Corporate guarantee provided by the Company.
- (b) The bank borrowings of the Group at the end of the reporting period bear effective annual interest rates as follows:

	The Group	
	31.12.2021	31.12.2020
	%	%
Bankers' acceptances	1.90 - 2.00	1.86 - 2.02
Term loans	3.00 - 4.95	3.19 - 6.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

17. LEASE LIABILITIES

	The Group	
	31.12.2021	31.12.2020
	RM	RM
At 1 January	1,689,610	1,959,175
New lease liabilities (Note 28(a))	1,277,023	26,474
Interest expense recognised in profit or loss (Note 24)	110,554	69,599
Repayment of principal	(651,604)	(296,039)
Repayment of interest expense	(110,554)	(69,599)
At 31 December	2,315,029	1,689,610
Analysed by:		
Current liabilities	783,356	459,744
Non-current liabilities	1,531,673	1,229,866
	2,315,029	1,689,610

18. DEFERRED TAX LIABILITIES

	The Group	
	31.12.2021	31.12.2020
	RM	RM
At 1 January	1,530,000	1,058,000
Recognised in profit or loss (Note 26)	223,000	472,000
At 31 December	1,753,000	1,530,000

19. TRADE PAYABLES

The normal trade terms granted to the Group by suppliers range from cash term to 45 days credit (31.12.2020: cash term to 45 days credit).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

20. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Amount owing to directors	66,198	180,942	-	6,896
Amount owing to a subsidiary	-	-	-	155,870
Accruals	2,497,764	2,550,763	33,000	33,000
Customer deposits	2,482,592	2,411,559	-	-
Goods and services tax payable	-	44,761	-	-
Sales tax payable	46,845	-	-	-
Sundry payables	2,093,730	828,999	24,259	-
	<u>7,187,129</u>	<u>6,017,024</u>	<u>57,259</u>	<u>195,766</u>

- (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 of RM 1,271,709 (31.12.2020: RM 127,650) payable for the purchase of property, plant and equipment.

21. REVENUE

Revenue of the Group comprises the followings:

	The Group		The Company	
	01.01.2021	01.01.2020	01.01.2021	06.02.2020
	to	to	to	to
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Revenue from contracts with customers				
<u>Recognised at a point in time</u>				
Dividend income	-	-	1,500,000	-
Sales of furniture and furniture parts	70,114,762	76,404,081	-	-
	<u>70,114,762</u>	<u>76,404,081</u>	<u>1,500,000</u>	<u>-</u>

The sales of furniture and furniture parts are further disaggregated according to geographical region in Note 30(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

22. 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 are as follows:

	The Group		The Company	
	01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM	01.01.2021 to 31.12.2021 RM	06.02.2020 to 31.12.2020 RM
(a) Directors				
Executive directors:-				
Salaries, bonuses and other benefits	833,760	894,085	18,545	-
Defined contribution plan	97,822	107,434	-	-
	<u>931,582</u>	<u>1,001,519</u>	<u>18,545</u>	<u>-</u>
Non-executive directors:-				
Fees	126,000	58,500	126,000	58,500
Salaries, bonuses and other benefits	14,700	-	14,700	-
	<u>140,700</u>	<u>58,500</u>	<u>140,700</u>	<u>58,500</u>
Total directors' remuneration	<u>1,072,282</u>	<u>1,060,019</u>	<u>159,245</u>	<u>58,500</u>
Estimated monetary value of benefits-in-kind	<u>44,333</u>	<u>28,000</u>	<u>-</u>	<u>-</u>
(b) Other key management personnel				
Salaries, bonuses and other benefits	599,830	648,970	-	-
Defined contribution plan	71,715	77,267	-	-
	<u>671,545</u>	<u>726,237</u>	<u>-</u>	<u>-</u>
Total compensation for other key management personnel	<u>671,545</u>	<u>726,237</u>	<u>-</u>	<u>-</u>
Estimated monetary value of benefits-in-kind	<u>3,000</u>	<u>4,800</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

23. STAFF COSTS

	The Group		The Company	
	01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM	01.01.2021 to 31.12.2021 RM	06.02.2020 to 31.12.2020 RM
Key management personnel compensation (excluding benefits-in-kind)	1,743,827	1,786,256	159,245	58,500
Other staff costs				
Salaries, bonuses and other benefits	13,635,485	14,781,071	-	-
Defined contribution plan	349,172	370,539	-	-
	13,984,657	15,151,610	-	-
	15,728,484	16,937,866	159,245	58,500

24. FINANCE COSTS

	The Group	
	01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM
Interest on:		
Bankers' acceptances	52,307	177,754
Lease liabilities	110,554	69,599
Term loans	681,280	751,986
	844,141	999,339
Bankers' acceptances charges	17,055	26,203
	861,196	1,025,542

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

25. PROFIT/(LOSS) BEFORE TAX

	The Group		The Company	
	01.01.2021	01.01.2020	01.01.2021	06.02.2020
	to	to	to	to
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
This is arrived at after charging:				
Auditors' remuneration				
- audit fees	68,000	100,000	28,000	30,000
- non-audit fees	5,000	234,000	5,000	5,000
Depreciation of property, plant and equipment	1,720,163	1,617,483	-	-
Depreciation of right-of-use assets	407,378	344,796	-	-
Incorporation fee	-	3,116	-	3,116
Listing expenses	810,839	1,108,776	810,839	20,563
Loss on disposal of property, plant and equipment	-	17,299	-	-
Unrealised loss on foreign exchange	29,745	148,345	-	-
Rental expenses:				
- factory	-	2,400	-	-
- hostel	-	4,870	-	-
Short-term lease of factory	-	209,256	-	-
Property, plant and equipment written off	12,960	206,126	-	-
And (crediting):				
Deposit forfeited	-	(28,610)	-	-
Dividend income from quoted investment	-	(1,250)	-	-
Gain on disposal of property, plant and equipment	(224,999)	-	-	-
Gain on disposal of quoted investment	-	(16,736)	-	-
Realised gain on foreign exchange	(804,619)	(489,455)	-	-
Interest income on financial assets measured at amortised cost	(181,882)	(114,400)	(72,857)	-
Fair value gain on financial assets measured at fair value through profit or loss	(49,215)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

26. INCOME TAX EXPENSE

	The Group		The Company	
	01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM	01.01.2021 to 31.12.2021 RM	06.02.2020 to 31.12.2020 RM
Current tax expense	1,821,000	819,398	-	-
Overprovision in previous financial year	(77,754)	(289,760)	-	-
	1,743,246	529,638	-	-
Deferred tax (Note 18):				
- Origination of temporary differences	223,000	491,000	-	-
- Overprovision in previous financial year	-	(19,000)	-	-
	223,000	472,000	-	-
	1,966,246	1,001,638	-	-

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

	The Group		The Company	
	01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM	01.01.2021 to 31.12.2021 RM	06.02.2020 to 31.12.2020 RM
Profit/(loss) before tax	10,001,648	9,656,768	123,778	(121,397)
Tax at statutory income tax rate	2,401,000	2,256,000	30,000	(29,000)
Tax effect of non-deductible expense	502,000	529,398	330,000	29,000
Tax effect of non-taxable income	(51,000)	(6,000)	(360,000)	-
Utilisation of tax incentive	(808,000)	(1,469,000)	-	-
Overprovision in previous financial year:				
- current tax expense	(77,754)	(289,760)	-	-
- deferred tax expense	-	(19,000)	-	-
	1,966,246	1,001,638	-	-

Income tax is calculated at the Malaysian statutory tax rate of 24% (31.12.2020: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

27. EARNINGS PER SHARE

	The Group	
	31.12.2021	31.12.2020
Profit after tax attributable to owners of the Company (RM)	8,035,402	8,655,130
Weighted average number of ordinary shares in issues	691,287,663	639,999,992 [#]
Basic earnings per share (RM)	0.01	0.01

The effects of potential ordinary shares arising from the conversion of warrants were anti-dilutive and accordingly, it has been ignored in the calculation of diluted earnings per share for the financial year ended 31 December 2021. As a result, the diluted earnings per share is the same as basic earnings per share.

[#] For computation of earnings per share for the financial year ended 31 December 2020, it is assumed that the number of ordinary shares arising from the bonus issues were in issue throughout the financial year.

28. 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	
	01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 6)	3,985,321	4,665,746
Cash paid in respect of acquisition in previous financial year	36,063	1,189,167
Unpaid balances included in sundry payables	(1,180,122)	(127,650)
Cash paid during the financial year	2,841,262	5,727,263
Right-of-use assets		
Cost of right-of-use assets acquired (Note 7)	1,519,924	26,474
Addition of new lease liabilities (Note (b) below)	(1,277,023)	(26,474)
Cash paid during the financial year	242,901	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

28. CASH FLOW INFORMATION (CONT'D)

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

The Group

	Term loans RM	Bankers' acceptance RM	Lease liabilities RM	Total RM
At 1 January 2021	21,429,448	6,025,236	1,689,610	29,144,294
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	208,568	11,067,733	-	11,276,301
Repayment of borrowing principal	(1,602,400)	(12,762,184)	(651,604)	(15,016,188)
Repayment of borrowing interest	(681,280)	(52,307)	(110,554)	(844,141)
	(2,075,112)	(1,746,758)	(762,158)	(4,584,028)
<u>Non-cash changes</u>				
Acquisition of new lease	-	-	1,277,023	1,277,023
Finance charges recognised in profit or loss	681,280	52,307	110,554	844,141
	681,280	52,307	1,387,577	2,121,164
At 31 December 2021	20,035,616	4,330,785	2,315,029	26,681,430
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

28. CASH FLOW INFORMATION (CONT'D)

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

	The Group	
	01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM
Payment of short-term leases	-	209,256
Payment of lease liabilities	651,604	296,039
Interest paid on lease liabilities	110,554	69,599
	762,158	574,894

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

	The Group		The Company	
	01.01.2021 to 31.12.2021 RM	01.01.2020 to 31.12.2020 RM	01.01.2021 to 31.12.2021 RM	06.02.2020 to 31.12.2020 RM
Short-term investment	5,049,215	-	-	-
Fixed deposits with licensed banks	7,650,000	3,541,388	7,000,000	-
Cash and bank balances	11,060,473	10,531,865	1,838,139	1
	23,759,688	14,073,253	8,838,139	1
Less: Fixed deposit pledged to a licensed bank	(650,000)	-	-	-
	23,109,688	14,073,253	8,838,139	1

29. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

29. RELATED PARTY DISCLOSURES (CONT'D)

(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		The Company	
	01.01.2021	01.01.2020	01.01.2021	06.02.2020
	to	to	to	to
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Subsidiary				
Dividend income	-	-	1,500,000	-
Related party				
Rental expenses	-	60,000	-	-
Purchase of property, plant and equipment	-	110,000	-	-
Directors				
Rental expenses	-	21,756	-	-
Shareholder				
Rental expenses	-	95,340	-	-

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 22 to the financial statements.

30. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

30. OPERATING SEGMENTS (CONT'D)

(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	
	01.01.2021	01.01.2020
	to	to
	31.12.2021	31.12.2020
	RM	RM
Asia (excluding Malaysia)	11,493,562	11,928,936
Australasia	741,970	739,754
Europe	5,148,810	5,970,215
North America	27,487,553	35,264,475
South America	1,010,404	685,150
Malaysia	24,232,463	21,815,551
	70,114,762	76,404,081

(c) Major customers

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

	The Group	
	01.01.2021	01.01.2020
	to	to
	31.12.2021	31.12.2020
	RM	RM
Customer A	13,569,737	15,371,604
Customer B	16,275,000	14,756,468

31. CAPITAL COMMITMENT

	The Group	
	31.12.2021	31.12.2020
	RM	RM
Construction of factory building	6,700,000	8,600,000
Purchase of property, plant and equipment	300,000	85,400
	7,000,000	8,685,400

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(Cont'd)

32. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk and interest rate 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.

32.1 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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
31.12.2021				
Financial assets				
Trade receivables	10,332,996	941,430	-	11,274,426
Cash and bank balances	5,493,551	5,550,965	15,957	11,060,473
	15,826,547	6,492,395	15,957	22,334,899
Financial liabilities				
Trade payables	195,722	5,512,959	-	5,708,681
Other payables and accruals	140,061	4,517,631	-	4,657,692
	335,783	10,030,590	-	10,366,373
Net financial liabilities	15,490,764	(3,538,195)	15,957	11,968,526
Less: Net financial liabilities denominated in the respective entities' functional currency	-	3,538,195	-	3,538,195
Currency exposure	15,490,764	-	15,957	15,506,721

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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
31.12.2020				
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
	<u>7,428,448</u>	<u>11,512,099</u>	<u>18,477</u>	<u>18,959,024</u>
Financial liabilities				
Trade payables	80,115	5,289,169	-	5,369,284
Other payables and accruals	140,061	3,420,643	-	3,560,704
	<u>220,176</u>	<u>8,709,812</u>	<u>-</u>	<u>8,929,988</u>
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	<u>7,208,272</u>	<u>-</u>	<u>18,477</u>	<u>7,226,749</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management policies (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign currency exposure (Cont'd)

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

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	
	31.12.2021	31.12.2020
	RM	RM
Effects on profit after tax		
USD/RM		
- strengthened by 5%	588,649	273,914
- weakened by 5%	(588,649)	(273,914)

(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 long-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 16 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 a material impact on the profit after tax and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management policies (Cont'd)

(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 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 2 (31.12.2020: 4) trade receivables, the balances of each is equal to or more than 10% of total balances constituting approximately 70% (31.12.2020: 77%) 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	
	31.12.2021	31.12.2020
	RM	RM
Asia (excluding Malaysia)	232,692	156,218
Australasia	427	-
Europe	810,120	-
North America	3,739,829	3,786,873
South America	306,528	132,498
Malaysia	6,184,830	4,351,570
	11,274,426	8,427,159

(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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management policies (Cont'd)

(b) Credit risk (Cont'd)

(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 the fact they are still subject to enforcement activities.

Trade receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit 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.

Also, the Group considers any receivables having financial difficulties or in default with significant balances outstanding for more than 90 days are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 months (31.12.2020: 12 months) 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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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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			
31.12.2021			
Not past due	9,056,092	-	9,056,092
Past due but not impaired:			
- less than 90 days	2,217,811	-	2,217,811
- more than 90 days	523	-	523
	11,274,426	-	11,274,426
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

Other receivables

The Company applies the 3-stages general approach to measuring expected credit losses for its other receivables. No expected credit loss is recognised on these balance as it is negligible.

Fixed deposits with licensed banks, cash and bank balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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 annual 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						
31.12.2021						
Non-derivative financial liabilities						
Trade payables	-	5,708,681	5,708,681	5,708,681	-	-
Other payables and accruals	-	4,657,692	4,657,692	4,657,692	-	-
Bank borrowings						
- Bankers' acceptances	1.90 - 2.00	4,330,785	4,330,785	4,330,785	-	-
- Term loans	3.00 - 4.95	20,035,616	22,744,829	3,347,064	10,906,597	8,491,168
Lease liabilities	1.49 - 7.33	2,315,029	2,475,035	869,149	1,605,886	-
		37,047,803	39,917,022	18,913,371	12,512,483	8,491,168

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management policies (Cont'd)

(c) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Weighted average effective annual 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial risk management policies (Cont'd)

(c) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The Company

	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM
31.12.2021			
Non-derivative financial liabilities			
Other payables and accruals	57,259	57,259	57,259
	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM
31.12.2020			
Non-derivative financial liabilities			
Other payables and accruals	195,766	195,766	195,766

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.2 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 net gearing ratio. The net gearing ratio is calculated as net borrowings divided by total equity. The Group includes within net borrowings, bank borrowings and lease liabilities less cash and cash equivalents. The net gearing ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	31.12.2021 RM	31.12.2020 RM
Bank borrowings (Note 16)	24,366,401	27,454,684
Lease liabilities (Note 17)	2,315,029	1,689,610
	26,681,430	29,144,294
Less: Short-term investment (Note 12)	(5,049,215)	-
Less: Fixed deposits with licensed banks (Note 13)	(7,650,000)	(3,541,388)
Less: Cash and bank balances	(11,060,473)	(10,531,865)
	2,921,742	15,071,041
Net borrowings	2,921,742	15,071,041
Total equity	53,368,343	32,232,941
Net gearing ratio	0.05	0.47

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
(Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Classification of financial instruments

	The Group		The Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Financial assets				
<u>Fair value through profit or loss</u>				
Short-term investment	5,049,215	-	-	-
<u>Amortised cost</u>				
Trade receivables	11,274,426	8,427,159	-	-
Other receivables	247,992	8,081	4,306,502	-
Fixed deposits with licensed banks	7,650,000	3,541,388	7,000,000	-
Cash and bank balances	11,060,473	10,531,865	3,338,139	1
	30,232,891	22,508,493	14,644,641	1
Financial liabilities				
<u>Amortised cost</u>				
Trade payables	5,708,681	5,369,284	-	-
Other payables and accruals	4,657,692	3,560,704	57,259	195,766
Bank borrowings	24,366,401	27,454,684	-	-
Lease liabilities	2,315,029	1,689,610	-	-
	37,047,803	38,074,282	57,259	195,766

32.4 Gains or losses arising from financial instruments

	The Group		The Company	
	01.01.2021	01.01.2020	01.01.2021	06.02.2020
	to	to	to	to
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM	RM	RM	RM
Financial assets				
<u>Amortised cost</u>				
Net gain/(loss) recognised in profit or loss	152,137	(33,945)	72,857	-
<u>Fair value through profit or loss</u>				
Net gain recognised in profit or loss	49,215	17,986	-	-
Financial liabilities				
<u>Amortised cost</u>				
Net loss recognised in profit or loss	(844,141)	(999,339)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 Fair value information

The fair value of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next twelve months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
The Group								
31.12.2021								
Financial assets								
Short-term investment	-	5,049,215	-	-	-	-	5,049,215	5,049,215
Financial liabilities								
Term loans	-	-	-	-	20,035,616	-	20,035,616	20,035,616
31.12.2020								
Financial liabilities								
Term loans	-	-	-	-	21,429,448	-	21,429,448	21,429,448

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 Fair value information (Cont'd)

(a) Fair value of financial instruments carried at fair value

The fair value of short-term investments is determined by reference to statements provided by the financial institutions, with which the instruments were entered into.

(b) Fair value of financial instruments not carried at fair value

The fair value of the Company's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates or near the reporting date.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (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.

However, the Covid-19 global pandemic has not resulted in any material impairment to the Group's assets as of 31 December 2021 or affected the Group's ability to continue its business as a going concern. There was no material impact on the Group's operations and financial performance for the financial year ended 31 December 2021 other than those arising from the temporary cessation of business operations from 1 June 2021 to 19 September 2021.

- (b) 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 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 ENDED 31 DECEMBER 2021
(Cont'd)**

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (c) 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.
- (d) On 20 October 2021, the shareholders of the Company, have approved the following proposal:
 - (i) bonus issues of 300,000,000 new ordinary shares on the basis of 3 new ordinary shares for every 4 existing ordinary shares held by the entitled shareholder of the Company; and
 - (ii) issuance of up to 175,000,000 free warrants on the basis of 1 warrant for every 4 existing ordinary shares held by the entitled shareholders of the Company

The bonus issue and free warrants issue were completed on 5 November 2021 and 16 November 2021 respectively. Upon completion, 299,999,992 bonus shares and 174,999,136 warrants were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad.

34. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Since 18 March 2020 up to date of this report, the Movement Control Order ("MCO") in Malaysia had gone through various phases throughout the country where restrictions were either relaxed and/or tightened for certain states, districts and/or location based on the number of daily and active Covid-19 cases in the respective areas.

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 operation results of the Group.

35. COMPARATIVE FIGURES

The comparative figures of the Company cover the financial period from 6 February 2020 (date of incorporation) to 31 December 2020. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and their related notes are not comparable to that for the current 12-month period ended 31 December 2021.

LIST OF PROPERTIES AS AT 31 DECEMBER 2021

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	Net Book Value as at 31 December 2021 (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 D&D 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	2 years	311,829 sq. ft.	15,946	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.	1,331	Construction in progress
			Phase 2 - Construction work in progress to build 2 blocks of single-storey detached factory buildings namely Factory Block B and C	Not applicable	101,858 sq. ft.	37	Construction in progress

ANALYSIS OF SHAREHOLDINGS AT 25 MARCH 2022

Class of Share	: Ordinary shares
Voting Rights	: One vote per ordinary share
Total number of issued shares	: 699,999,992 shares
Number of Shareholders	: 4,646

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of Shareholders	% of Shareholders	No. of shares	% of Issued Share Capital
1 - 99	153	3.293	7,305	0.001
100 - 1,000	250	5.380	122,205	0.017
1,001 - 10,000	1,703	36.655	9,393,558	1.342
10,001 - 100,000	2,200	47.353	70,973,224	10.139
100,001 - 34,999,998 (*)	339	7.297	143,503,700	20.501
34,999,999 and above (**)	1	0.022	476,000,000	68.000
Total	4,646	100.000	699,999,992	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.	476,000,000	68.00	-	-
Quek Wee Seng	3,080,000	0.44	484,294,475 ⁽¹⁾	69.19
Quek Wee Seong	3,080,000	0.44	483,840,000 ⁽²⁾	69.12

Notes:

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

(2) Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seng, his father, Quek Gim Hong @ Keh Gim Hong pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS AT 25 MARCH 2022 (Cont'd)

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	No. of Shares Held %	Indirect	%
Datin Siah Li Mei	-	-	-	-
Quek Wee Seng	3,080,000	0.44	484,294,475 ⁽¹⁾	69.19
Quek Wee Seong	3,080,000	0.44	483,840,000 ⁽²⁾	69.12
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, his father, Quek Gim Hong @ Keh Gim Hong and his wife, Leong Yok Moy pursuant to Section 8 of the Act.
- (2) Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seng, his father, Quek Gim Hong @ Keh Gim Hong pursuant to Section 8 of the Act.

LIST OF TOP 30 SHAREHOLDERS AT 25 MARCH 2022

(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.	476,000,000	68.000
2	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIANG GUAN (E-JAH)	9,047,950	1.293
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH TEIK SOON	6,375,825	0.911
4	CHUA YEE TING	6,060,000	0.866
5	QUEK GIM HONG @ KEH GIM HONG	4,760,000	0.680
6	KEH WEE KIET	4,065,950	0.581
7	KOO YEE FONG	3,700,000	0.529
8	QUEK WEE SENG	3,080,000	0.440
9	QUEK WEE SEONG	3,080,000	0.440
10	SEE KIM CHIAU	2,956,950	0.422
11	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	2,390,700	0.342
12	ONG MARY	2,002,950	0.286

ANALYSIS OF SHAREHOLDINGS AT 25 MARCH 2022 (Cont'd)

LIST OF TOP 30 SHAREHOLDERS AT 25 MARCH 2022 (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
13	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO	2,000,000	0.286
14	GAN ENG JOO	1,635,275	0.234
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG MARY (E-JAH)	1,584,150	0.226
16	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH TACTICAL FUND	1,400,000	0.200
17	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH ENG HUA	1,400,000	0.200
18	TAN WUU HAW	1,309,500	0.187
19	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHONG PEI MAN	1,300,000	0.186
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE MEY NUD (E-JAH)	1,243,450	0.177
21	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOR MOOI SOONG	1,225,000	0.175
22	TEO HUI HSIAN	1,222,250	0.174
23	ALLIANCEGROUP NOMINEES PLEDGED SECURITIES ACCOUNT FOR AU FOOK TONG @ EDWARD AU	1,128,875	0.161
24	TEU KING SENG	1,120,400	0.160
25	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YOONG YON WAH	1,050,000	0.150
26	SO TEK LEE	962,500	0.137
27	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI	918,750	0.131
28	KENANGA NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	910,000	0.130
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TAN YEW HOCK (PB)	875,000	0.125
30	JINNY WONG XIN LIN	832,250	0.119
Total		545,637,725	77.948

ANALYSIS OF WARRANT A HOLDINGS AT 25 MARCH 2022

Type of Securities	: Warrants 2021/2024
Voting Rights	: The holder of warrants is not entitled to any voting rights
Number of Warrant Issued	: 174,999,136
Number of Warrant Exercised	: -
Number of Warrant Unexercised	: 174,999,136
Exercise Price Per Warrant	: RM0.28
Issued Date of Warrants	: 11 November 2021
Expiry Date of Warrants	: 08 November 2024
Number of Shareholders	: 4,427

DISTRIBUTION OF WARRANT A HOLDINGS

Size of holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
1 - 99	537	12.130	28,757	0.016
100 - 1,000	752	16.987	433,444	0.248
1,001 - 10,000	2,131	48.136	8,723,722	4.985
10,001 - 100,000	784	17.710	28,551,375	16.315
100,001 – 8,749,955 (*)	221	4.992	84,497,607	48.285
8,749,956 and above (**)	2	0.045	52,764,231	30.151
Total	4,427	100.000	174,999,136	100.000

Notes:

* Less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS' INTEREST ACCORDING TO THE REGISTER OF DIRECTORS' WARRANT HOLDINGS

Name of Directors	Direct	No. of Warrant Held %	Indirect	%
Datin Siah Li Mei	-	-	-	-
Quek Wee Seng	370,000	0.211	42,571,918 ⁽¹⁾	24.327
Quek Wee Seong	770,000	0.440	42,058,300 ⁽²⁾	24.033
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, his father, Quek Gim Hong @ Keh Gim Hong and his wife, Leong Yok Moy pursuant to Section 8 of the Act.

(2) Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seng and his father, Quek Gim Hong @ Keh Gim Hong pursuant to Section 8 of the Act.

ANALYSIS OF WARRANT A HOLDINGS AT 25 MARCH 2022 (Cont'd)

LIST OF TOP 30 WARRANT HOLDERS AT 25 MARCH 2022

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

No.	Name of Warrant Holders	No. of Warrants	% of Warrants issued
1	EXELIENT SDN. BHD.	40,498,300	23.142
2	YEO KHEE CHOON	12,265,931	7.009
3	KOK CHEE AUN	3,700,000	2.114
4	LEE YEOW SIONG	3,300,000	1.886
5	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,421,212	1.384
6	CHAI KON LIM	2,005,000	1.146
7	NG CHIN HOE	2,000,000	1.143
8	NG CHIN LEONG	2,000,000	1.143
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ADNAN BIN MAHASAN (E-BBB)	1,500,000	0.857
10	CHENG SOO YIN	1,300,000	0.743
11	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU FOOK TONG @ EDWARD AU	1,236,468	0.707
12	PHANG SUN WAH	1,200,000	0.686
13	QUEK GIM HONG @ KEH GIM HONG	1,190,000	0.680
14	CHAI AH MING	1,168,800	0.668
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KON LIM	1,100,000	0.629
16	SEE KIM CHEE	1,061,250	0.607
17	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM SOO KIANG	1,043,750	0.597
18	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR NG YEE	1,000,000	0.571
19	LIM LE LAN	1,000,000	0.571
20	LIM SHI KAI	1,000,000	0.571
21	LOW POW YING @ TAN LUAN	1,000,000	0.571
22	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAM KIM GOON (PNG)	1,000,000	0.571

ANALYSIS OF WARRANT A HOLDINGS AT 25 MARCH 2022 (Cont'd)

LIST OF TOP 30 WARRANT HOLDERS AT 25 MARCH 2022 (CONT'D)

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

No.	Name of Warrant Holders	No. of Warrants	% of Warrants issued
23	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	1,000,000	0.571
24	YONG SIEW NGEE	1,000,000	0.571
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI AH MING (E-JPR)	926,200	0.529
26	TAN HOU BU	800,000	0.457
27	QUEK WEE SEONG	770,000	0.440
28	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR MAR MUN YEE	700,000	0.400
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD LAW JIA MING	697,000	0.398
30	TAN GEK SIANG	643,750	0.368
Total		90,527,661	51.730

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of MOBILIA HOLDINGS BERHAD (“the Company”) will be conducted entirely through live streaming from the Meeting Venue at Lot 2782 GRN 92507 Jalan Kempas 1 Mukim Jalan Bakri 84200 Muar Johor on Monday, 30 May 2022 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of Directors and Auditors thereon.
2. To approve the payment of Directors’ fees and benefits up to RM 170,000 for the financial year ending 31 December 2022 payable monthly in arrears after each month of completed service of the Directors during the subject financial year. (Ordinary Resolution 1)
3. To re-elect the following Directors who retire in accordance with Clause 95 of the Company’s Constitution:
 - i. Datin Siah Li Mei (Ordinary Resolution 2)
 - ii. Tajul Arifin Bin Mohd Tahir (Ordinary Resolution 3)
4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 4)

AS SPECIAL BUSINESS

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

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

“THAT, pursuant to Section 75 of the Companies Act 2016 (“the Act”), the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Additional Temporary Relief Measures to Listed Corporations for COVID-19, issued by Bursa Securities on 16 April 2020, its subsequent letter dated 23 December 2021 on extension of implementation of the twenty percent (20%) General Mandate 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 (“20% General Mandate”); AND THAT the Board of Directors are also empowered to obtain approval for the listing of and quotation for the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities which would be utilised before 31 December 2022 and thereafter, the 10% general mandate will be reinstated; AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company”

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

6. 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 2021 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.”

7. 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

29 April 2022

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 Second 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 Second Annual General Meeting via the Remote Participation and Voting facilities (“RPV”) provided by AI Smartual Learning Sdn Bhd (“**AI Smartual**”) via its website at www.vpoll.com.my (“**VirtualeAGM**”). **Please follow the “Virtual eAGM User Guide” which are set out in the Administrative Guide of Second Annual General Meeting and take note of Note (6) below in order to participate remotely via RPV.**

2. Only depositors whose names appear in the Record of Depositors as at **23 May 2022** shall be regarded as shareholders and be entitled to attend, participate, speak and vote at the Second 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 shareholder who has appointed a proxy or authorised representative or attorney at the Second Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at www.vpoll.com.my (“**VirtualeAGM**”). **Please follow the Procedures for RPV which are set out in the Administrative Guide of Second 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 Aldpro Corporate Services Sdn. Bhd., Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Selangor not less than twenty-four (24) hours before the time appointed for holding the Second 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 Second Annual General Meeting to vote by way of poll.

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 2 of the Agenda - Ordinary Resolution 1

Directors' fees and benefits approved for the financial year ended 31 December 2021 was RM170,000. The Directors' fees and benefits proposed for the financial year ending 31 December 2022 are calculated based on the number of scheduled Board and Committee Meetings for year 2022 and assuming that all Non-Executive Directors will hold office until the conclusion of the next annual general meeting.

This resolution is to facilitate payment of Directors' fees and benefits on current financial year basis. In the event the Directors' fees and benefits proposed are insufficient (e.g. due to more meetings), approval will be sought at the next annual general meeting for additional fees and benefits to meet the shortfall.

11. Item 5 of the Agenda - Ordinary Resolution 5
Proposed renewal of authority for Directors to Allot and Issue Shares pursuant to Section 75 of the Act

- (a) The proposed Ordinary Resolution no. 5, if passed, will grant a mandate ("20% General Mandate") empowering the Directors of the Company, from the date of the Second Annual General Meeting 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 additional temporary relief measures due to COVID-19 pandemic issued by Bursa Securities on 16 April 2020 and its subsequent letter dated 23 December 2021 on extension of implementation of the twenty percent (20%) General Mandate. The temporary relief measures may be utilised until 31 December 2022, 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.
- (d) As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 22 June 2021.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

12. Item 6 of the Agenda – Special Resolution 1

Proposed amendments to the Constitution of the Company

The proposed Special Resolution 1, if passed, will provide flexibility and enhance administrative efficiency.

13. **ANNUAL REPORT**

The Annual Report for the financial year ended 31 December 2021 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 contact the Share Registrar, Aldpro Corporate Services Sdn. Bhd. [202101043817 (1444117-M)] at 03-7890 0638 or email your request to admin@aldpro.com.my.

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 Second 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
5	Definitions ACE Market ACE Market of the Exchange or any other market of the Exchange on which the Company is listed at the relevant time. Listing Requirements The ACE Market Listing Requirements of the Exchange including any amendment that may be made from time to time, and all Practise Notes and Appendices that may be issued and enforced under or pursuant to the Listing Requirements from time to time.	Definitions ACE or Main Market ACE or Main Market of the Exchange or any other market of the Exchange on which the Company is listed at the relevant time. Listing Requirements The ACE or Main Market Listing Requirements of the Exchange including any amendment that may be made from time to time, and all Practice Notes and Appendices that may be issued and enforced under or pursuant to the Listing Requirements from time to time.
179	EFFECT OF THE LISTING REQUIREMENTS (7) For the purpose of this Constitution, unless the context otherwise requires, "Listing Requirements" means Bursa Malaysia Securities Berhad ACE Market Listing Requirements including any amendment to the Listing Requirements that may be made from time to time.	EFFECT OF THE LISTING REQUIREMENTS (7) For the purpose of this Constitution, unless the context otherwise requires, "Listing Requirements" means Bursa Malaysia Securities Berhad ACE or Main Market Listing Requirements including any amendment to the Listing Requirements that may be made from time to time.



MOBILIA HOLDINGS BERHAD

Registration No.: 202001004249 (1360569-P)
(Incorporated in Malaysia)

Administrative Guide for Second Annual General Meeting (“2nd AGM” or “AGM”)

Meeting Day and Date	: Monday, 30 May 2022
Time	: 10.00 a.m.
Broadcast Venue	: Lot 2782, GRN 92507, Jalan Kempas 1, Mukim Jalan Bakri, 84200 Muar, Johor
Meeting Platform	: www.vpoll.com.my (Domain Registration No. D1A457149)

1. Virtual Meeting

- 1.1 As a precautionary measure amid the Coronavirus Disease (COVID-19) pandemic and having regard to the well-being of the safety of the Company's shareholders, employees and Directors, the Board of Directors (the “**Board**”) and Management have decided that the meeting will be conducted entirely virtual through live streaming and online remote voting via Remote Participation and Voting (“**RPV**”) facilities.
- 1.2 Kindly ensure that you are connected to the internet at all times in order to participate and/or vote at our virtual Meeting. Therefore, it is your responsibility to ensure that connectivity for the duration of the Meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants. The Company, the Board and its management, registrar and other professional advisers (if any) shall not be held responsible or be liable for any disruption in internet line resulting in the participants being unable to participate and/or vote at the Meeting.

2. Entitlement to Participate and Vote

- 2.1 Only depositors whose names appear on the Record of Depositors as at **23 May 2022** shall be entitled to participate and/or vote at the meeting or appoint proxy/corporate representative(s) to participate and/or vote on his/her behalf by returning the duly executed Proxy Form(s).

3. Appointment of Proxy

- 3.1 If you are unable to attend and participate at the meeting via RPV facilities, you may appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.
- 3.2 The instrument appointing a proxy and the power of attorney or other authority i.e. the corporate representatives / authorised nominees or exempt authorised nominees who wishes to attend and participate at the meeting via RPV facilities, please ensure the **duly executed original** Proxy Form(s) or the **original/duly certified** Certificate of Appointment of its corporate / authorised representative / power of attorney / letter of authority or other documents proving authority must be deposited to Company's Share Registrar office, Aldpro Corporate Services Sdn. Bhd. at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than twenty-four (24) hours before the time appointed for holding the meeting i.e. not later than **Sunday, 29 May 2022 at 10.00 a.m.**

- 3.3 All appointed proxy need not register for remote participation on VirtualeAGM e-Portal. Upon processing of your Proxy Form, we will grant your proxy access to remote participation at the Meeting to which he/she is appointed for instead of you, with the login credentials.

4. Submission of Questions

- 4.1 Members and proxies may submit their questions via the real time submission of typed texts through a text box within VirtualeAGM e-Portal at www.vpoll.com.my during the live streaming of the AGM. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/ relevant adviser during the meeting.

5. Voting Procedure

- 5.1 Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the Meeting will be conducted by poll.
- 5.2 For the purpose of the Meeting, e-Voting can be carried out using personal smart mobile phones, tablets, personal computers or laptops.
- 5.3 The polling will commence from the scheduled starting time of the Meeting and close ten (10) minutes after the Chairman announces the final ten (10) minutes for voting towards the end of the Meeting after the question-and-answer session.
- 5.4 The Independent Scrutineer will verify the poll results reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolutions put to vote were successfully carried or not.

6. Remote Participation and Voting (“RPV”)

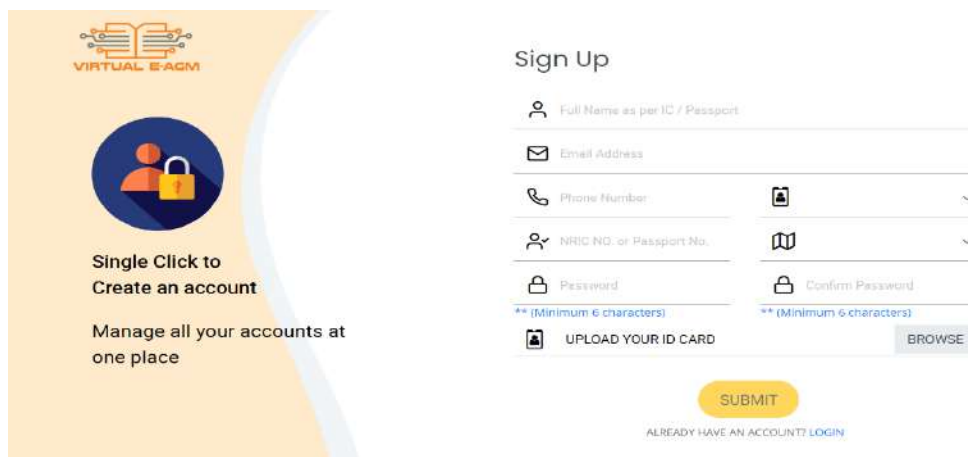
- 6.1 Please note that all shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees, and proxies shall use the RPV facilities to participate and/or vote remotely at the meeting [(ii) to (iv) through their authorised representatives].
- 6.2 If you wish to participate in the Meeting, you will be able to view a live webcast of the Meeting, pose questions and/ or submit your votes in real time whilst the Meeting is in progress.
- 6.3 Kindly follow the steps as set out in **Appendix I** to register for RPV.

Appendix I

VIRTUALEAGM USER GUIDE

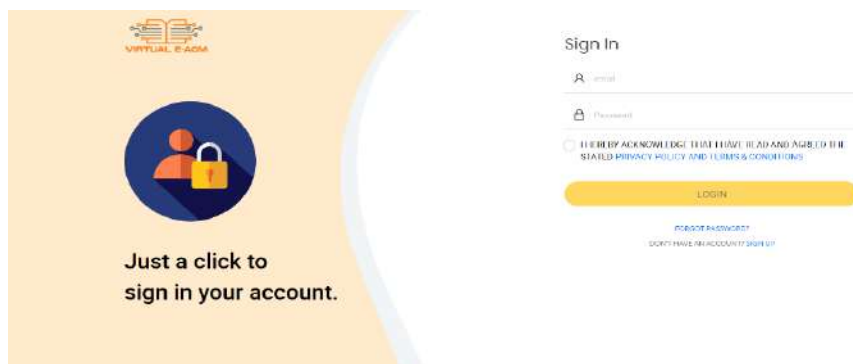
STEP 1: Please go to url www.vpoll.com.my to go to the Login Page as shown below to

a. Sign up



The image shows a 'Sign Up' form for the VIRTUAL E-AGM system. On the left is a promotional banner with the text 'Single Click to Create an account' and 'Manage all your accounts at one place'. The form itself has a title 'Sign Up' and includes the following fields: 'Full Name as per IC / Passport', 'Email Address', 'Phone Number', 'NRIC NO. or Passport No.', 'Password', and 'Confirm Password'. There are also checkboxes for 'I HEREBY ACKNOWLEDGE THAT I HAVE READ AND AGREE TO THE STATED PRIVACY POLICY AND TERMS & CONDITIONS' and a 'BROWSE' button for 'UPLOAD YOUR ID CARD'. A 'SUBMIT' button is at the bottom, and a link 'ALREADY HAVE AN ACCOUNT? LOGIN' is below it.

b. Log in

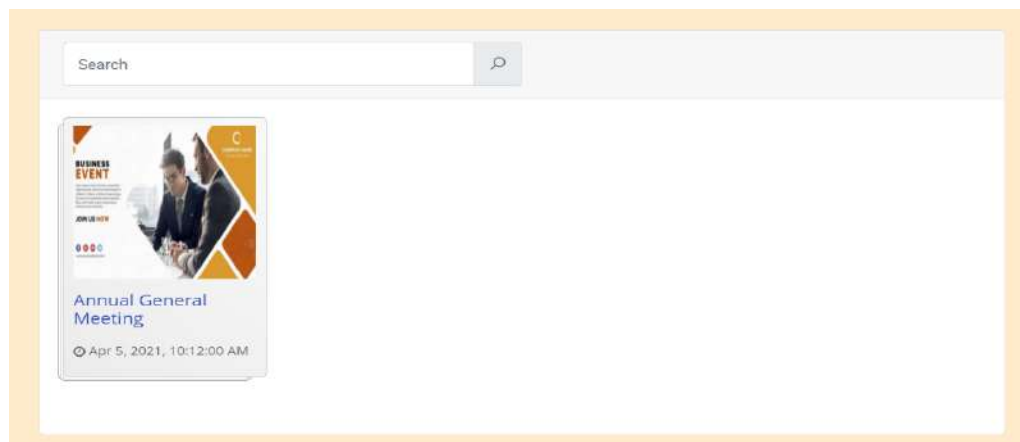


The image shows a 'Sign In' form for the VIRTUAL E-AGM system. On the left is a promotional banner with the text 'Just a click to sign in your account.' The form has a title 'Sign In' and includes fields for 'Email' and 'Password'. Below these fields is a checkbox for 'I HEREBY ACKNOWLEDGE THAT I HAVE READ AND AGREE TO THE STATED PRIVACY POLICY AND TERMS & CONDITIONS'. A 'LOGIN' button is at the bottom, and a link 'ALREADY HAVE AN ACCOUNT? SIGN UP' is below it.

Notes:

- 1) Shareholders who wish to participate and vote remotely at the meeting via RPV facilities are required to register/sign up prior to the meeting.
- 2) The registration will be open from **10.00 a.m. on 23 May 2022** and the registration will be close at **10.00 a.m. on Sunday, 29 May 2022**.
- 3) This is a **ONE-TIME Registration**. If Shareholders are already a registered user of the e-Portal and need not register again.
- 4) Your email address is your User ID when Log in.

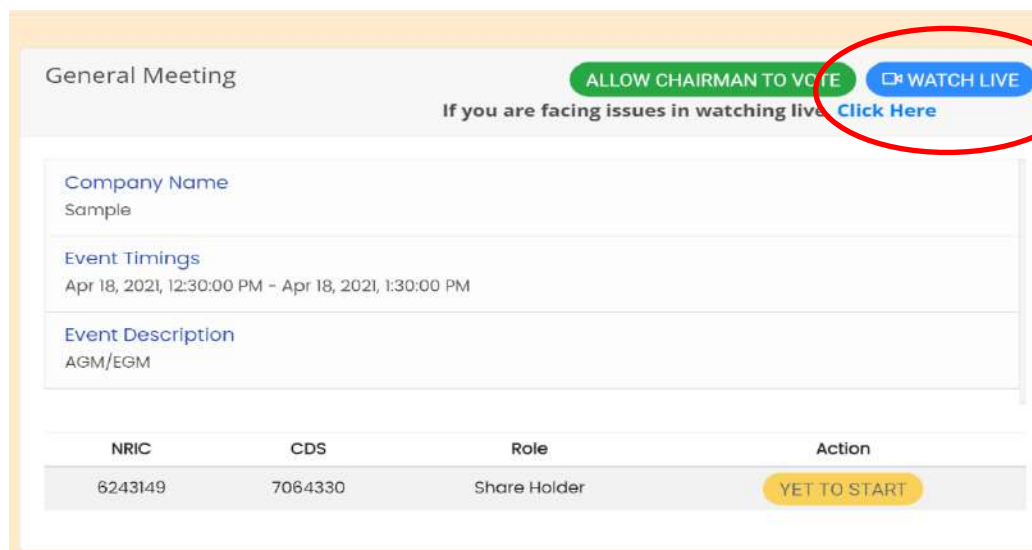
STEP 2: You will see a DASHBOARD screen as shown below. Click on event icon.



Notes:

- 1) You can start to log in one hour (1) hour before the commencement of the meeting at **9.00 a.m. on Monday, 30 May 2022.**
- 2) The quality of the live streaming is dependent on the stability of the internet connection at the location of the user.
- 3) Log in to www.vpoll.com.my with your registered User ID (email address) and password.
For prox(ies) holders, use the login credential that was sent by the Poll Administrator.

STEP 3: Click on EVENT NAME ICON, you will see the following screen.



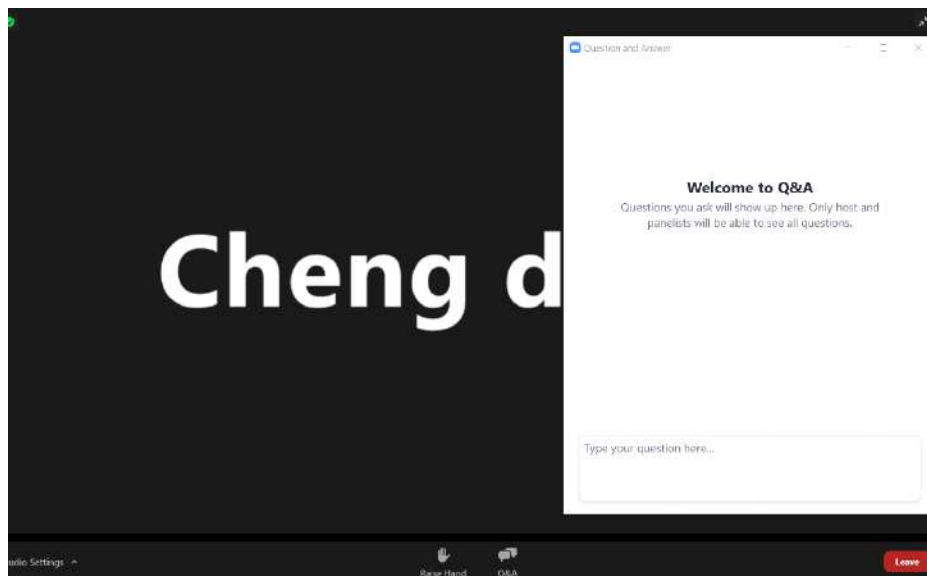
To watch live streaming, please click on the BLUE BUTTON as shown in the top right corner. If you are facing issues in watching live, click the "Click Here" to open the Zoom application directly.

STEP 4: The screen will open in a new tab as shown below:



ASKING QUESTIONS FEATURE

To ask questions, please click on your Q&A icon at the bottom of your screen and type your questions.



If you have any questions to raise at the meeting, type the question in the text box below. The Chairman/Board/Management/relevant adviser(s) will endeavour to respond to your question during the Meeting.

STEP 5: To vote, please go back to your earlier tab as shown below.

General Meeting ALLOW CHAIRMAN TO VOTE WATCH LIVE
If you are fa

Company Name
Sample

Event Timings
Apr 18, 2021, 12:30:00 PM – Apr 18, 2021, 1:30:00 PM

Event Description
AGM/EGM

NRIC	CDS	Role	Action
6243149	7064330	Share Holder	VOTE

Upon confirmation of your name, event details, role, NRIC and CDS number, please click on the VOTE button.

STEP 6: Vote accordingly and click on the CONFIRM DETAILS AND SUBMIT VOTE button.

General Meeting

Non Voting Resolution
To receive the Audited Financial Statements for the financial year ended 30 September 2020 together with the Reports of the Directors and Auditors thereon.

Sample Ordinary Resolution
Vote Question 1

Sample Special Resolution
Vote Question 2

FOR (thumbs up icon) AGAINST (thumbs down icon) ABSTAIN (no icon)

Make sure you vote for all questions. If skipped, your response for that resolution will be saved as ABSTAIN

CONFIRM DETAILS AND SUBMIT VOTE

STEP 7: To view the voting results, please click the “RESULTS”

The screenshot displays the Virtual AGM interface. At the top, there's a 'General Meeting' header with buttons for 'ALLOW CHAIRMAN TO VOTE' and 'WATCH LIVE'. Below this, a form contains fields for 'Company Name' (Sample), 'Event Timings' (Apr 18, 2021, 12:30:00 PM - Apr 18, 2021, 1:30:00 PM), and 'Event Description' (AGM/EGM). A table below the form lists user details: NRIC (8243149), CDS (7064330), and Role (Share Holder). In the 'Action' column, there are 'VIEW' and 'RESULTS' buttons, with the 'RESULTS' button circled in red. Below the table, the 'VOTING RESULTS' section is visible, featuring a thumbs-up icon and two progress bars: 'ORDINARY RESOLUTION' (Sample Ordinary Resolution, Resolution 1) showing 3333 Units (100%) and 'SPECIAL RESOLUTION' (Sample Special Resolution, Resolution 2) showing 0 Units (0%).

Enquiry

If you have any enquiries prior to the AGM, please contact the following during office hours from Mondays to Fridays from 9.00 a.m. to 5.00 p.m. (except public holiday): -

The Share Registrar – any matters relating to the 2nd AGM**Aldpro Corporate Services Sdn Bhd**

Address : Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam, Selangor

Email Address : admin@aldpro.com.my

Contact Person : Ms. Vivien Khoh / Ms. Jennie Wong / Ms. Esther Loo

Telephone No : +603 7890 0638

OR

If you have any enquiry relating to VirtualeAGM, please contact the following persons during office hours from Mondays to Fridays from 9.00 a.m. to 5.00 p.m. (except public holiday): -

The Poll Administrator – e-Services Assistance**AI Smartual Learning Sdn Bhd**

Address : 1-23-5, Menara Bangkok Bank
Berjaya Central Park
Jalan Ampang, 50450 Kuala Lumpur

Email Address : davidcheng@aismartuallearning.com

Contact Person : Mr. David Cheng

Telephone No. : +6017 7700887

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 Second Annual General Meeting of the Company to be conducted entirely through live streaming from the Meeting Venue at Lot 2782, GRN 92507, Jalan Kempas 1, Mukim Jalan Bakri 84200 Muar, Johor, on Monday, 30 May 2022 at 10.00 a.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 ending 31 December 2022		
2	Re-election of Datin Siah Li Mei as Director		
3	Re-election of Tajul Arifin Bin Mohd Tahir as Director		
4	Re-appointment of Messrs Crowe Malaysia PLT as Auditors		
5	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 2022

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 Second 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 Second Annual General Meeting via the Remote Participation and Voting facilities (“**RPV**”) provided by AI Smartual Learning Sdn Bhd (“**AI Smartual**”) via its website at www.vpoll.com.my (“**VirtualeAGM**”). **Please follow the VirtualeAGM User Guide” which are set out in the Administrative Guide of Second Annual General Meeting and take note of Notes (6) below in order to participate remotely via RPV.**

2. Only depositors whose names appear in the Record of Depositors as at **23 May 2022** shall be regarded as shareholders and be entitled to attend, participate, speak and vote at the Second 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 shareholder who has appointed a proxy or authorised representative or attorney at the Second Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at www.vpoll.com.my (“**VirtualeAGM**”). **Please follow the Procedures for RPV which are set out in the Administrative Guide of Second 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 Aldpro Corporate Services Sdn. Bhd., Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor. not less than twenty-four (24) hours before the time appointed for holding the Second 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 Second Annual General Meeting to vote by way of poll.

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 Second Annual General Meeting (including any adjournment thereof).

Please fold here

Affix Stamp

The Share Registrars
MOBILIA HOLDINGS BERHAD
REGISTRATION NO.:
202001004249 (1360569-P)
Level 5 Block B Dataran PHB
Saujana Resort Section U2
40150 Shah Alam Selangor

Please fold here

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

