Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
Chartered Accountants (AF 0117)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia

T : +603 2297 1000
F : +603 2282 9980

info@bakertilly.my
www.bakertilly.my

14 October 2022

The Board of Directors
**Infomina Berhad**
BO3-C-12-1, Menara 3A
No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Dear Sirs,

**Reporting Accountants' opinion on the Combined Financial Statements contained in the Accountants' Report of Infomina Berhad ("Infomina" or the "Company")**

**Opinion**

We have audited the accompanying combined financial statements of the Company and its subsidiaries as defined in Note 2 to the combined financial statements (collectively referred to as the "Group"), which comprise of:

i) The combined statements of financial position as at 31 May 2019, 31 May 2020 and 31 May 2021, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years then ended.
ii) The consolidated statement of financial position as at 31 May 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended.
iii) Notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages 5 to 96.

In our opinion, the accompanying combined financial statements contained in the Accountants' Report of the Company gives a true and fair view of the combined financial positions of the Group as at 31 May 2019, 31 May 2020, 31 May 2021 and 31 May 2022, and of its financial performance and its cash flows for the financial year ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Chapter 10, Part II Division I: Equity of the Prospectus Guidelines as issued by the Securities Commission 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 *Reporting Accountants' 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.

**INFOMINA BERHAD**
(Incorporated in Malaysia)

**Basis for Opinion (continued)**

**Independence and Other Ethical Responsibilities**

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

**Responsibilities of the Directors for the Combined Financial Statements**

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

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a Reporting Accountants' 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 combined 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 combined financial statements of the Group, 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 internal control.

**INFOMINA BERHAD**
(Incorporated in Malaysia)

**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)**

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: (continued)

- 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Reporting Accountants' report to the related disclosures in the combined financial statements of the Group 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 Reporting Accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group 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 combined 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.

**Other Matters**

This report is made solely to the board of directors of the Company and has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of the Company in connection with the listing of and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon any other purposes. We do not assume responsibility to any other persons for the content of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA ) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2023 J
Chartered Accountant

Kuala Lumpur

Date: 14 October 2022

**STATEMENT BY DIRECTORS**

We, **YEE CHEE MENG** and **NASIMAH BINTI MOHD ZAIN**, being two of the directors of INFOMINA BERHAD, do hereby state that in the opinion of the directors, the accompanying combined financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 May 2019, 31 May 2020, 31 May 2021 and 31 May 2022 and of their financial performance and cash flows for the financial years then ended.

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

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**YEE CHEE MENG**
Director

.......................................................................
**NASIMAH BINTI MOHD ZAIN**
Director

Kuala Lumpur

Date: 14 OCT 2022

## COMBINED STATEMENTS OF FINANCIAL POSITION

| | | As at 31 May | | | |
|---|---|---|---|---|---|
| | | **2019** | **2020** | **2021** | **2022** |
| | **Note** | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | **5** | 1,509 | 1,185 | 2,225 | 5,397 |
| Deferred tax assets | **6** | 1,163 | 864 | 965 | 5,231 |
| Other receivables | **7** | - | 654 | 632 | 874 |
| **Total non-current assets** | | **2,672** | **2,703** | **3,822** | **11,502** |
| **Current assets** | | | | | |
| Current tax assets | | - | - | 61 | 151 |
| Trade and other receivables | **7** | 9,395 | 32,330 | 48,794 | 86,046 |
| Contract assets | **8** | 3,580 | 2,323 | - | - |
| Cash and short-term deposits | **9** | 16,946 | 26,981 | 24,495 | 70,934 |
| **Total current assets** | | **29,921** | **61,634** | **73,350** | **157,131** |
| **TOTAL ASSETS** | | **32,593** | **64,337** | **77,172** | **168,633** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity attributable to the owners of the Group** | | | | | |
| Invested equity/Share capital | **10** | 1,147 | 5,178 | 11,086 | 11,075 |
| Irredeemable preference shares | **11** | - | - | - | 65 |
| Retained earnings | | 10,238 | 9,610 | 17,897 | 34,921 |
| Reorganisation reserve | **12** | - | - | (5,847) | (5,700) |
| Other reserves | **13** | - | * | 29 | 92 |
| | | 11,385 | 14,788 | 23,165 | 40,453 |
| **Non-controlling interests** | | - | * | 2 | 7 |
| **TOTAL EQUITY** | | **11,385** | **14,788** | **23,167** | **40,460** |

## COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

| | | As at 31 May | | | |
|---|---|---|---|---|---|
| | | **2019** | **2020** | **2021** | **2022** |
| | **Note** | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| **Non-current liabilities** | | | | | |
| Loans and borrowings | **14** | 909 | 690 | 1,002 | 2,213 |
| Deferred tax liabilities | **6** | - | - | 326 | 3,068 |
| **Total non-current liabilities** | | **909** | **690** | **1,328** | **5,281** |
| **Current liabilities** | | | | | |
| Loans and borrowings | **14** | 228 | 351 | 578 | 829 |
| Current tax liabilities | | 1,407 | 572 | 185 | 2,213 |
| Trade and other payables | **15** | 8,422 | 21,761 | 9,779 | 59,066 |
| Contract liabilities | **8** | 10,242 | 26,175 | 42,135 | 60,784 |
| **Total current liabilities** | | **20,299** | **48,859** | **52,677** | **122,892** |
| **TOTAL LIABILITIES** | | **21,208** | **49,549** | **54,005** | **128,173** |
| **TOTAL EQUITY AND LIABILITIES** | | **32,593** | **64,337** | **77,172** | **168,633** |

* *Less than RM1,000*

The accompanying notes form an integral part of these combined financial statements.

## COMBINED STATEMENTS OF COMPREHENSIVE INCOME

| | Note | FYE 31 May 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
|---|---|---|---|---|---|
| Revenue | 16 | 66,006 | 81,616 | 105,224 | 201,063 |
| Cost of sales | | (50,380) | (68,167) | (81,280) | (159,164) |
| **Gross profit** | | 15,626 | 13,449 | 23,944 | 41,899 |
| Other income | 17 | 348 | 1,846 | 393 | 764 |
| Administrative expenses | | (6,805) | (10,710) | (12,189) | (20,426) |
| **Operating profit** | | 9,169 | 4,585 | 12,148 | 22,237 |
| Finance costs | 18 | (102) | (78) | (102) | (186) |
| **Profit before tax** | 19 | 9,067 | 4,507 | 12,046 | 22,051 |
| Income tax expense | 21 | (2,165) | (1,135) | (3,757) | (4,971) |
| **Profit for the financial year** | | 6,902 | 3,372 | 8,289 | 17,080 |
| **Other comprehensive income, net of tax** | | | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | | | |
| Exchange differences on translation of foreign operations | | - | * | 29 | 12 |
| **Other comprehensive income for the financial year** | 22 | - | * | 29 | 12 |
| **Total comprehensive income for the financial years** | | 6,902 | 3,372 | 8,318 | 17,092 |
| **Profit attributable to:** | | | | | |
| Owners of the Group | | 6,902 | 3,372 | 8,287 | 17,078 |
| Non-controlling interests | | - | * | 2 | 2 |
| | | **6,902** | **3,372** | **8,289** | **17,080** |
| **Total comprehensive income attributable to:** | | | | | |
| Owners of the Group | | 6,902 | 3,372 | 8,316 | 17,090 |
| Non-controlling interests | | - | * | 2 | 2 |
| | | **6,902** | **3,372** | **8,318** | **17,092** |
| **Earnings per share (RM)** | | | | | |
| - Basic and diluted | 23 | 6.02 | 0.91 | 1.59 | 2.42 |

* *Less than RM1,000*

The accompanying notes form an integral part of these combined financial statements.

## COMBINED STATEMENTS OF CHANGES IN EQUITY

| | | Attributable to owners of the Group | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Invested equity RM'000 | Preference shares RM'000 | Reorganisation reserve RM'000 | Other reserves RM'000 | Retained earnings RM'000 | Sub-total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
| **At 1 June 2018** | | 1,147 | - | - | - | 3,336 | **4,483** | - | **4,483** |
| **Total comprehensive income for the financial year** | | | | | | | | | |
| Profit for the financial year, representing total comprehensive income for the financial year | | - | - | - | - | 6,902 | **6,902** | - | **6,902** |
| **At 31 May 2019** | | **1,147** | **-** | **-** | **-** | **10,238** | **11,385** | **-** | **11,385** |
| **Total comprehensive income for the financial year** | | | | | | | | | |
| Profit for the financial year | | - | - | - | - | 3,372 | 3,372 | * | 3,372 |
| Other comprehensive income for the financial year | **22** | - | - | - | * | - | * | * | * |
| Total comprehensive income | | - | - | - | * | 3,372 | 3,372 | * | 3,372 |
| **Transaction with owners** | | | | | | | | | |
| Bonus issue | **10** | 4,000 | - | - | - | (4,000) | - | - | - |
| Issuance of ordinary shares | **10** | 31 | - | - | - | - | 31 | * | 31 |
| Total transactions with owners | | 4,031 | - | - | - | (4,000) | 31 | * | 31 |
| **At 31 May 2020** | | **5,178** | **-** | **-** | * | **9,610** | **14,788** | * | **14,788** |

**INFOMINA BERHAD**
Accountants' Report

## COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

| | Note | Invested equity/ Share capital RM'000 | Preference shares RM'000 | Reorganisation reserve RM'000 | Other reserves RM'000 | Retained earnings RM'000 | Sub-total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| | | ← Attributable to owners of the Group → | | | | | | | |
| **At 1 June 2020** | | **5,178** | **-** | **-** | ***** | **9,610** | **14,788** | ***** | **14,788** |
| **Total comprehensive income for the financial year** | | | | | | | | | |
| Profit for the financial year | | - | - | - | - | 8,287 | 8,287 | 2 | 8,289 |
| Other comprehensive income for the financial year | 22 | - | - | - | 29 | - | 29 | * | 29 |
| Total comprehensive income | | - | - | - | 29 | 8,287 | 8,316 | 2 | 8,318 |
| **Transaction with owners** | | | | | | | | | |
| Issuance of ordinary shares | 10 | 5,939 | - | - | - | - | 5,939 | - | 5,939 |
| Adjustment pursuant to restructuring exercise | 12 | (31) | - | (5,847) | - | - | (5,878) | - | (5,878) |
| Total transactions with owners | | 5,908 | - | (5,847) | - | - | 61 | - | 61 |
| **At 31 May 2021** | | **11,086** | **-** | **(5,847)** | **29** | **17,897** | **23,165** | **2** | **23,167** |
| **Total comprehensive income for the financial year** | | | | | | | | | |
| Profit for the financial year | | - | - | - | - | 17,078 | 17,078 | 2 | 17,080 |
| Other comprehensive income for the financial year | 22 | - | - | - | 12 | - | 12 | * | 12 |
| Total comprehensive income | | - | - | - | 12 | 17,078 | 17,090 | 2 | 17,092 |
| **Transaction with owners** | | | | | | | | | |
| Issuance of ordinary shares | 10 | 139 | - | - | - | - | 139 | - | 139 |
| Issuance of preference shares | 11 | - | 65 | - | - | - | 65 | - | 65 |
| Transfer to statutory reserve | | - | - | - | 51 | (51) | * | (*) | - |
| Changes in ownership in interests in a subsidiary | 1 | - | - | - | * | 1 | 1 | (1) | - |
| Adjustment pursuant to restructuring exercise | 10 | (150) | - | 147 | * | (1) | (4) | 4 | * |
| Dividends paid on preference shares | 24 | - | - | - | - | (3) | (3) | - | (3) |
| Total transactions with owners | | (11) | 65 | 147 | 51 | (54) | 198 | 3 | 201 |
| **At 31 May 2022** | | **11,075** | **65** | **(5,700)** | **92** | **34,921** | **40,453** | **7** | **40,460** |

* *Less than RM1,000*

The accompanying notes form an integral part of these combined financial statements.

## COMBINED STATEMENTS OF CASH FLOWS

| | Note | FYE 31 May 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Profit before tax | | 9,067 | 4,507 | 12,046 | 22,051 |
| Adjustments for: | | | | | |
| Depreciation of property, plant and equipment | | 536 | 581 | 768 | 1,294 |
| Gain on disposal of property, plant and equipment | | - | (90) | (87) | (4) |
| Property, plant and equipment written off | | - | - | - | 29 |
| Impairment loss on trade receivables | | - | - | 62 | - |
| Finance costs | | 102 | 78 | 102 | 186 |
| Finance income | | (348) | (394) | (245) | (225) |
| Net unrealised foreign exchange loss/(gain) | | - | 206 | 252 | (287) |
| **Operating profit before changes in working capital** | | **9,357** | **4,888** | **12,898** | **23,044** |
| Changes in working capital | | | | | |
| Trade and other receivables | | 3,069 | (23,071) | (17,576) | (37,688) |
| Contract assets | | (3,580) | 1,257 | 2,323 | - |
| Trade and other payables | | (2,317) | 11,334 | (9,944) | 49,601 |
| Contract liabilities | | 1,964 | 15,934 | 15,959 | 18,807 |
| **Net cash generated from operations** | | **8,493** | **10,342** | **3,660** | **53,764** |
| Income tax refund | | 59 | - | - | - |
| Income tax paid | | (1,305) | (1,670) | (3,982) | (4,548) |
| Interest received | | 348 | 394 | 15 | 8 |
| **Net cash generated from/(used in) operating activities** | | **7,595** | **9,066** | **(307)** | **49,224** |
| **Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment | **(a)** | (239) | (131) | (918) | (2,514) |
| Proceeds from disposal of property, plant and equipment | | - | 90 | 190 | 4 |
| Additional investment in subsidiary | | - | - | - | * |
| Change in pledged deposits | | (109) | (814) | (836) | (3,564) |
| **Net cash used in investing activities** | | **(348)** | **(855)** | **(1,564)** | **(6,074)** |

## COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

| | Note | FYE 31 May 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
|---|---|---|---|---|---|
| **Cash flows from financing activities** | **(b)** | | | | |
| Proceeds from issuance of ordinary shares | | - | 32 | 61 | 139 |
| Proceeds from issuance of preference shares | | - | - | - | 65 |
| Repayment of term loans | | (84) | (74) | (129) | (18) |
| Repayment of lease liabilities | | (132) | (148) | (325) | (502) |
| Net change in amount owing to a director | | (205) | 1,439 | (1,405) | (72) |
| Interest received | | - | - | 230 | 217 |
| Interest paid | | (102) | (78) | (102) | (186) |
| **Net cash (used in)/from financing activities** | | **(523)** | **1,171** | **(1,670)** | **(357)** |
| Net increase/(decrease) in cash and cash equivalents | | 6,724 | 9,382 | (3,541) | 42,793 |
| **Cash and cash equivalents at the beginning of the financial year** | | **9,894** | **16,618** | **25,839** | **22,517** |
| Effect of exchange rate changes on cash and cash equivalents | | - | (161) | 219 | 82 |
| **Cash and cash equivalents at the end of the financial year** | **9** | **16,618** | **25,839** | **22,517** | **65,392** |

* *Less than RM1,000*

(a) Purchase of property, plant and equipment:

| | Note | FYE 31 May 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
|---|---|---|---|---|---|
| Purchase of property, plant and equipment | **5** | 518 | 257 | 1,911 | 4,495 |
| Financed by way of lease arrangements | | (279) | (126) | (993) | (1,981) |
| Cash payments on purchase of property, plant and equipment | | 239 | 131 | 918 | 2,514 |

**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**

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

| | | | Non-cash | | |
|---|---|---|---|---|---|
| | 1.6.2018 RM'000 | Cash flow RM'000 | Effect of MFRS 16 RM'000 | Foreign exchange movement RM'000 | 31.5.2019 RM'000 |
| Term loans | 395 | (84) | - | - | 311 |
| Lease liabilities | 679 | (132) | 279 | - | 826 |
| Amount owing to a director | 251 | (205) | - | - | 46 |
| | 1,325 | (421) | 279 | - | 1,183 |

| | | | Non-cash | | |
|---|---|---|---|---|---|
| | 1.6.2019 RM'000 | Cash flow RM'000 | Effect of MFRS 16 RM'000 | Foreign exchange movement RM'000 | 31.5.2020 RM'000 |
| Term loans | 311 | (74) | - | - | 237 |
| Lease liabilities | 826 | (148) | 126 | - | 804 |
| Amount owing to a director | 46 | 1,439 | - | 22 | 1,507 |
| | 1,183 | 1,217 | 126 | 22 | 2,548 |

| | | | Non-cash | | |
|---|---|---|---|---|---|
| | 1.6.2020 RM'000 | Cash flow RM'000 | Effect of MFRS 16 RM'000 | Foreign exchange movement RM'000 | 31.5.2021 RM'000 |
| Term loans | 237 | (129) | - | - | 108 |
| Lease liabilities | 804 | (325) | 993 | - | 1,472 |
| Amount owing to a director | 1,507 | (1,405) | - | (29) | 73 |
| | 2,548 | (1,859) | 993 | (29) | 1,653 |

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## COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities are as follows: (continued)

| | 1.6.2021 RM'000 | Cash flow RM'000 | Non-cash: Effect of MFRS 16 RM'000 | Non-cash: Foreign exchange movement RM'000 | 31.5.2022 RM'000 |
|---|---|---|---|---|---|
| Term loans | 108 | (18) | - | - | 90 |
| Lease liabilities | 1,472 | (502) | 1,982 | - | 2,952 |
| Amount owing to a director | 73 | (72) | - | (1) | - |
| | 1,653 | (592) | 1,982 | (1) | 3,042 |

The accompanying notes form an integral part of these combined financial statements.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Infomina Berhad (the "Company") was incorporated as a private limited liability company and is domiciled in Malaysia. The company was converted to a public company limited by shares and assumed its present name on 21 February 2022. The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur W.P. Kuala Lumpur. The principal place of business of the Company is located at BO3-C-12-1, Menara 3A, No 3 Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The principal activity of the Company is the provision of technology hardware, software, consultancy, support and services and the details of its operating entities are as follows:

| Operating entities | Principal place of business/ Country of incorporation | Effective equity interest (%) 2019 | 2020 | 2021 | 2022 | Principal activities |
|---|---|---|---|---|---|---|
| Infomina Services Sdn. Bhd. | Malaysia | 51% | 51% | 51% | 100% | Dormant. Intended for provision of maintenance and support services for information technologies |
| Infomina Pte. Ltd.* | Singapore | - | 60% | 100% | 100% | Provision of technology hardware, software, consultancy, support and services |
| Infomina (Thailand) Co., Ltd* | Thailand | - | - | 48.99% | 99.99% | Import and export of computer software and hardware |
| PT Infomina Solution Indonesia* | Indonesia | - | - | - | 99.60% | Dormant. Intended for computer programming activities, computer consulting and other computer facility management |
| Infomina Limited* | Hong Kong | - | - | - | 100% | Dormant. Intended for information technology consultancy and services |

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

## 1. GENERAL INFORMATION (CONTINUED)

The principal activity of the Company is the provision of technology hardware, software, consultancy, support and services and the details of its operating entities are as follows: (continued)

| Operating entities | Principal place of business/ Country of incorporation | Effective equity interest (%) 2019 | 2020 | 2021 | 2022 | Principal activities |
|---|---|---|---|---|---|---|
| **Held through Infomina Pte. Ltd.** | | | | | | |
| Infomina (Thailand) Co., Ltd* | Thailand | - | 51% | 51% | - | Import and export of computer software and hardware |
| Infomina Philippines, Inc* | Philippines | - | 99.95% | 99.93% | 99.95% | Provision of data management, storage and archiving, reselling of software and software integration |
| PT Infomina Solution Indonesia* | Indonesia | - | - | 99.60% | - | Dormant. Intended for computer programming activities, computer consulting and other computer facility management |

* *Audited by an independent network firm of Baker Tilly International.*

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

The combined financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 October 2022.

### (a) Movement of equity interests in Infomina Services Sdn. Bhd.

For the FYE 31 May 2019, 31 May 2020 and 31 May 2021, Infomina Berhad has common control over Infomina Services Sdn. Bhd. through a 51% equity interest and a 49% direct interest held by one of the directors of Infomina Berhad. As such, the results of Infomina Services Sdn. Bhd. were included in the combined financial statements for the FYE 31 May 2019, 31 May 2020 and 31 May 2021.

On 14 February 2022, the Company purchased an additional 49% equity interest (representing 147,000 ordinary shares) in Infomina Services Sdn. Bhd. from a director for a total cash consideration of RM1. The Company's effective ownership in Infomina Services Sdn. Bhd. increased from 51% to 100% as a result of the additional shares purchased.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**1. GENERAL INFORMATION (CONTINUED)**

**(b) Movement of equity interests in Infomina Pte. Ltd.**

On 18 September 2019, Infomina Berhad acquired a 60% equity interest (representing 60 ordinary shares) in Infomina Pte. Ltd. for a cash consideration of approximately RM185 (equivalent to SGD60).

For the FYE 31 May 2020, Infomina Berhad has common control over Infomina Pte. Ltd. through a 60% equity interest and a 40% direct interest held by two of the directors of Infomina Berhad.

On 20 May 2021, Infomina Berhad acquired the remaining 40% equity interest (representing 40 ordinary shares) in Infomina Pte. Ltd. from two of the directors of Infomina Berhad through the issuance of 734,285 ordinary shares in Infomina Berhad amounting to RM3,172,111.

**(c) Movement of equity interests in Infomina (Thailand) Co., Ltd**

On 1 November 2019, Infomina Pte. Ltd. acquired a 51% equity interest (representing 10,200 ordinary shares) in Infomina (Thailand) Co., Ltd for a cash consideration of approximately RM32,346 (equivalent to THB255,000).

For the FYE 31 May 2020, Infomina Berhad has common control over Infomina (Thailand) Co., Ltd through a 51% equity interest and a 49% direct interest held by two of the directors of Infomina Berhad.

On 20 May 2021, Infomina Berhad acquired 48.99% equity interest (representing 9,798 ordinary shares) in Infomina (Thailand) Co., Ltd from two of the directors of Infomina Berhad through the issuance of 626,312 ordinary shares in Infomina Berhad amounting RM2,705,668.

On 28 February 2022, Infomina Berhad purchased an additional 51% equity interest (representing 10,200 ordinary shares) in Infomina (Thailand) Co., Ltd from Infomina Pte. Ltd. for a total cash consideration of RM2,524,948. The Company's effective ownership in Infomina (Thailand) Co., Ltd increased from 48.99% to 99.99% as a result of the additional shares purchased.

Effects of the decrease pursuant to the Group's internal restructuring exercise is as follows:

| | **2022**<br>**RM'000** |
|---|---|
| Fair value of consideration transferred | - |
| Decrease in share of net assets | (*) |
| Deficit charged directly to equity | (*) |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**1. GENERAL INFORMATION (CONTINUED)**

**(d) Movement of equity interests in Infomina Philippines, Inc**

On 10 February 2020, Infomina Pte. Ltd. acquired a 99.93% equity interest (representing 10,193 ordinary shares) in Infomina Philippines, Inc for a cash consideration of approximately RM841,579 (equivalent to PHP10,192,860).

For the FYE 31 May 2020, Infomina Berhad has common control over Infomina Philippines, Inc through a 99.93% equity interest and a 0.02% direct interest held by two of the directors of Infomina Berhad.

On 22 May 2022, two (2) shareholders of Infomina Philippines, Inc transferred their equity interest of 0.01% each to Infomina Pte. Ltd.. Infomina Pte. Ltd.'s effective ownership in Infomina Philippines, Inc., increased from 99.93% to 99.95% as a result of the additional shares transferred.

Effects of the increase in the Group's ownership interest is as follows:-

| | 2022 RM'000 |
|---|---|
| Fair value of consideration transferred | - |
| Increase in share of net assets | 1 |
| Excess charged directly to equity | 1 |

Effects of the decrease pursuant to the Group's internal restructuring exercise is as follows:

| | 2022 RM'000 |
|---|---|
| Fair value of consideration transferred | - |
| Decrease in share of net assets | (3) |
| Deficit charged directly to equity | (3) |

**(e) Movement of equity interests in PT Infomina Solution Indonesia**

On 28 July 2020, Infomina Pte. Ltd. acquired a 99.6% equity interest (representing 249 ordinary shares) in PT Infomina Solution Indonesia for cash consideration of approximately RM744,896 (equivalent to IDR 2,490,000,000).

For the FYE 31 May 2020, Infomina Berhad has common control over PT Infomina Solution Indonesia through a 99.6% equity interest and a 0.4% direct interest held by one of the directors of Infomina Berhad.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**1. GENERAL INFORMATION (CONTINUED)**

**(e) Movement of equity interests in PT Infomina Solution Indonesia (continued)**

On 19 May 2022, Infomina Berhad purchased a 99.6% equity interest (representing 249 ordinary shares) in PT Infomina Solution Indonesia from Infomina Pte. Ltd. for a total cash consideration of RM644,941.

Effects of the decrease pursuant to the Group's internal restructuring exercise is as follows:

| | **2022** |
|---|---|
| | **RM'000** |
| Fair value of consideration transferred | - |
| Decrease in share of net assets | (3) |
| Deficit charged directly to equity | (3) |

**(f) Non-controlling interests of the operating entities**

The financial information of the Group's operating entities that has a non-controlling interest is as follows:

Equity interest held by non-controlling interests:

| | **Ownership interest and voting interest as at 31 May** | | | |
|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **2022** |
| | **%** | **%** | **%** | **%** |
| **Name of company** | | | | |
| Infomina (Thailand) Co., Ltd | - | - | - | 0.01 |
| Infomina Philippines, Inc | - | 0.05 | 0.05 | 0.05 |
| PT Infomina Solution Indonesia | - | - | - | 0.40 |

**INFOMINA BERHAD**
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**1. GENERAL INFORMATION (CONTINUED)**

**(f) Non-controlling interest of the operating entity (continued)**

The financial information of the Group's operating entity that has a non-controlling interest is as follows: (continued)

Carrying amount of non-controlling interest:

| | As at 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Name of company** | | | | |
| Infomina (Thailand) Co., Ltd | - | - | - | 1 |
| Infomina Philippines, Inc | - | * | 2 | 4 |
| PT Infomina Solution Indonesia | - | - | - | 2 |

* *Less than RM1,000*

Profit or loss allocated to non-controlling interest:

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Name of company** | | | | |
| Infomina (Thailand) Co., Ltd | - | - | - | * |
| Infomina Philippines, Inc | - | * | 2 | 2 |
| PT Infomina Solution Indonesia | - | - | - | (*) |

* *Less than RM1,000*

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION

The combined financial statements of Infomina Berhad for the financial years ended 31 May 2019, 31 May 2020, 31 May 2021 and 31 May 2022 have been prepared pursuant to the listing of and quotation for the entire enlarged issued share capital of Infomina Berhad on the ACE Market of Bursa Malaysia Securities Berhad which consist of the financial statements of the following entities under common control for each of the financial years:

| Entities Under Common Control | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 |
| Infomina Berhad | √, # | √, # | √,^ | √,^ |
| Infomina Services Sdn. Bhd. | √, # | √, # | √,^ | √,^ |
| Infomina Pte. Ltd. | * | √, + | √, + | √, + |
| Infomina (Thailand) Co., Ltd | * | √, + | √, + | √, + |
| Infomina Philippines, Inc | * | √, + | √, + | √, + |
| PT Infomina Solution Indonesia | > | > | √, + | √, + |
| Infomina Limited | @ | @ | @ | √, + |

√ *The combined financial statements of the Company include the financial statements of these combining entities prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs") for the respective financial years.*

* *No financial statements were available as the Company was incorporated in FYE 2020.*

> *No financial statements were available as the Company was incorporated in FYE 2021.*

@ *No financial statements were available as the Company was incorporated in FYE 2022.*

^ *The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT.*

\+ *The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were audited by an independent member firm of Baker Tilly International.*

\# *The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were re-audited by Baker Tilly Monteiro Heng PLT for the purpose of inclusion into the combined financial statements of the Group. The audited financial statements which was lodged with Companies Commission of Malaysia were audited by a firm of chartered accountants other than Baker Tilly Monteiro Heng PLT.*

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

Combined financial statements of the Group for FYE 31 May 2019, 31 May 2020 and 31 May 2021

The combined financial statements of the Group for the relevant periods were prepared in a manner as if the entities under common control were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The financial information presented in the combined financial statements may not correspond to those in the combined financial statements of the Group had the relevant transactions to legally constitute a group been incorporated in the combined financial statements for the respective financial years. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years.

Consolidated financial statements of the Group for FYE 31 May 2022

The consolidated financial statements of the Group FYE 31 May 2022 were prepared based on the audited consolidated financial statements of the Company for FYE 31 May 2022.

The combined financial statements are prepared under the historical cost convention except otherwise indicated in the summary of significant accounting policies.

The accounting policies applied by the Group are consistently applied for all the financial years presented in these combined financial statements.

**2.1 Statement of compliance**

The combined financial statements of the Group have been prepared in accordance with the the Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs").

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.2 Change in accounting policies

***(i) MFRS 15 Revenue from Contracts with Customers***

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract;
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

| | |
|---|---|
| MFRS 111 | Construction Contracts |
| MFRS 118 | Revenue |
| IC Interpretation 13 | Customer Loyalty Programmes |
| IC Interpretation 15 | Agreements for the Construction of Real Estate |
| IC Interpretation 18 | Transfers of Assets from Customers |
| IC Interpretation 131 | Revenue – Barter Transactions Involving Advertising Services |

***Impact of the adoption of MFRS 15***

The adoption of MFRS 15 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to contracts with customers, which the Group has complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Group.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.2 Change in accounting policies (continued)**

***(ii) MFRS 16 Leases***

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 *Leases* and IC Int 4 *Determining whether an Arrangement contains a Lease.*

Under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its combined statements of financial position assets and liabilities arising from finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto the combined statements of financial position except for short-term and low value asset leases.

The Group has applied MFRS 16 using the modified retrospective approach with any cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at the date of initial application (i.e. 1 June 2018). Other than stated as below, the comparative information was not restated and continues to be reported under MFRS 117 and IC Int 4.

**Definition of a lease**

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group has elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 June 2019. Existing lease contracts that are still effective on 1 June 2018 will be accounted for as lease contracts under MFRS 16.

***Impact of the adoption of MFRS 16***

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as at the date of initial application. Other than the enhanced new disclosures relating to leases, which the Group has complied with in the current financial year, the application of this standard does not have any significant effect on the financial statements of the Group, except for those as discussed below.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.2 Change in accounting policies (continued)**

***(ii) MFRS 16 Leases (continued)***

***Impact of the adoption of MFRS 16 (continued)***

**(a) Classification and measurement**

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group.

On adoption of MFRS 16, for all its leases other than short-term and low value asset leases, the Group:

- recognised the right-of-use assets and lease liabilities in the combined statements of financial position as at the date of initial application;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss for the current financial year; and
- separated the total amount of cash paid for leases into principal and interest portions (presented within financing activities) in the combined statements of cash flows for the current financial year.

*For leases that were classified as operating lease under MFRS 117*

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application.

The right-of-use assets were measured at either:

(a) their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application. The Group applied this approach to its largest property leases; or
(b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all other leases.

The Group also applied the following practical expedients wherein its:

(a) applied a single discount rate to a portfolio of leases with similar characteristics;
(b) adjusted the right-of-use assets by the amount of MFRS 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review;

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.2 Change in accounting policies (continued)**

***(ii) MFRS 16 Leases (continued)***

***Impact of the adoption of MFRS 16 (continued)***

**(a) Classification and measurement (continued)**

*For leases that were classified as operating lease under MFRS 117 (continued)*

The Group also applied the following practical expedients wherein its: (continued)
(c) applied the exemption not to recognise right-of-use assets and lease liabilities for leases which the lease term ends within 12 months of the date of initial application;
(d) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
(e) used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

*For leases that were classified as finance lease under MFRS 117*

The Group recognised the carrying amount of the lease assets and finance lease liabilities under MFRS 117 immediately before transition as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application. The measurement requirements of MFRS 16 are applied after that date.

**(b) Short-term lease and low value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less and leases of low value assets based on the value of the underlying asset when new. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The following is reconciliation of the financial statement line items from MFRS 117 to MFRS 16 at 1 June 2018:

| | Carrying amount at 31 May 2018 RM'000 | Remeasurement RM'000 | MFRS 16 carrying amount at 1 June 2018 RM'000 |
|---|---|---|---|
| Property, plant and equipment | 1,160 | 367 | 1,527 |
| Loans and borrowings | (694) | (381) | (1,075) |
| Retained earnings | (3,350) | 14 | (3,336) |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective**

**2.3.1** The Group has not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

| | | Effective for financial periods beginning on or after |
|---|---|---|
| New MFRS | | |
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| | | |
| Amendments/Improvements to MFRSs | | |
| MFRS 1 | First-time Adoption of MFRSs | 1 January 2022^/ 1 January 2023# |
| MFRS 3 | Business Combinations | 1 January 2022/ 1 January 2023# |
| MFRS 5 | Non-current Assets Held for Sale and Discontinued Operation | 1 January 2023# |
| MFRS 7 | Financial Instruments: Disclosures | 1 January 2023# |
| MFRS 9 | Financial Instruments | 1 January 2022^/ 1 January 2023# |
| MFRS 10 | Consolidated Financial Statements | Deferred |
| MFRS 15 | Revenue from Contracts with Customers | 1 January 2023# |
| MFRS 16 | Leases | 1 January 2022^ |
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| MFRS 101 | Presentation of Financial Statements | 1 January 2023/ 1 January 2023# |
| MFRS 107 | Statements of Cash Flows | 1 January 2023# |
| MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors | 1 January 2023 |
| MFRS 112 | Income Taxes | 1 January 2023 |
| MFRS 116 | Property, Plant and Equipment | 1 January 2022/ 1 January 2023# |
| MFRS 119 | Employee Benefits | 1 January 2023# |
| MFRS 128 | Investments in Associates and Joint Ventures | Deferred/ 1 January 2023# |
| MFRS 132 | Financial Instruments: Presentation | 1 January 2023# |
| MFRS 136 | Impairment of Assets | 1 January 2023# |
| MFRS 137 | Provisions, Contingent Liabilities and Contingent Assets | 1 January 2022/ 1 January 2023# |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

**2.3.1** The Group has not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective: (continued)

| | | Effective for financial periods beginning on or after |
|---|---|---|
| Amendments/Improvements to MFRSs (continued) | | |
| MFRS 138 | Intangible Assets | 1 January 2023# |
| MFRS 140 | Investment Property | 1 January 2023# |
| MFRS 141 | Agriculture | 1 January 2022^ |

^ *The Annual Improvements to MFRSs 2018-2020*
# *Consequential amendments as a result of MFRS 17 Insurance Contracts*

**2.3.2** The Group plans to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below:

***Annual Improvements to MFRSs 2018–2020***

Annual Improvements to MFRSs 2018–2020 covers amendments to:
- MFRS 1 *First-time Adoption of MFRSs* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRSs.

***Amendments to MFRS 3 Business Combinations***

The amendments update MFRS 3 by replacing a reference to an old version of the *Conceptual Framework for Financial Reporting* with a reference to the latest version which was issued by Malaysian Accounting Standards Board (''MASB'') in April 2018.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

**2.3.2** The Group plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below: (continued)

***Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures***

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

***Amendments to MFRS 101 Presentation of Financial Statements***

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

**2.3.2** The Group plans to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below: (continued)

***Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors***

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

***Amendments to MFRS 112 Income Taxes***

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

***Amendments to MFRS 116 Property, Plant and Equipment***

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

***Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets***

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

**2.3.3** The initial application of the above applicable new MFRS and amendments/ improvements to MFRSs are not expected to have any material impact on the prior year and current periods of financial statements.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (the "functional currency"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency, has been rounded to the nearest thousand, unless otherwise stated.

### 2.5 Basis of measurement

The financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the combined financial statements of the Group.

### 3.1 Basis of combination/consolidation

Combined financial statements of the Group for FYE 31 May 2019, 31 May 2020 and 31 May 2021

The combined financial statements comprise the financial statements of Infomina Berhad, Infomina Services Sdn. Bhd., Infomina Pte. Ltd., Infomina (Thailand) Co., Ltd., Infomina Philippines, Inc., PT Infomina Solution Indonesia and Infomina Limited. The financial statements used in the preparation of the combined financial statements are prepared for the same reporting date as Infomina Berhad. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Entities under a reorganisation does not result in any change in economic substance. Accordingly, the combined financial statements of the Group is a continuation of the Group and is accounted for as follows:

- the assets and liabilities of the acquired entity is recognised and measured in the combined financial statements at the pre-combination carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Group and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.1 Basis of combination/consolidation (continued)**

Combined financial statements of the Group for FYE 31 May 2019, 31 May 2020 and 31 May 2021 (continued)

**(a) Business combination**

The Group applies the merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Combining entities acquired which have met the criteria for pooling of interest are accounted for using merger accounting policies. Under the merger method of accounting, the results of combining entities are presented as if the business combination had been affected 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. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the combining entities is taken to reorganisation reserve or merger deficit.

**(b) Non-controlling interests**

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of Group and are presented separately in the combined statements of financial position within equity.

Losses attributable to the non-controlling interest are allocated to the non-controlling interest even if the losses exceed the non-controlling interest.

**(c) Transactions eliminated on combination**

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.1 Basis of combination/consolidation (continued)**

Consolidated financial statements of the Group for FYE 31 May 2022

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

**(a) Subsidiaries and business combination**

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:

- the assets and liabilities of the acquired entity are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the combined statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.1 Basis of combination/consolidation (continued)**

Consolidated financial statements of the Group for FYE 31 May 2022 (continued)

**(b) Non-controlling interests**

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of Group and are presented separately in the consolidated statements of financial position within equity.

Losses attributable to the non-controlling interest are allocated to the non-controlling interest even if the losses exceed the non-controlling interest.

**(c) Transactions eliminated on consolidation**

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

**3.2 Foreign currency transactions**

**(a) Translation of foreign currency transactions**

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.2 Foreign currency transactions (continued)**

**(a) Translation of foreign currency transactions (continued)**

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

**(b) Translation of foreign operations**

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

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

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

**3.3 Financial instruments**

Financial instruments are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.3 Financial instruments (continued)**

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as FVPL. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVPL.

**(a) Subsequent measurement**

The Group categorises the financial instruments as follows:

**(i) Financial assets**

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at FVPL

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business models for managing those assets change.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.3 Financial instruments (continued)**

**(a) Subsequent measurement (continued)**

The Group categorises the financial instruments as follows: (continued)

**(i) Financial assets (continued)**

Debt instruments (continued)

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.8(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income ("FVOCI")**
  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.8(a). Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

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

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.3 Financial instruments (continued)**

**(a) Subsequent measurement (continued)**

The Group categorises the financial instruments as follows: (continued)

**(i) Financial assets (continued)**

Equity instruments

The Group subsequently measures all equity investments at fair value. Upon initial recognition, the Group can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

**(ii) Financial liabilities**

The Group classifies its financial liabilities in the following measurement categories:
- Financial liabilities at FVPL
- Financial liabilities at amortised cost

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability at FVPL.

Financial liabilities at amortised cost
Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.3 Financial instruments (continued)**

**(b) Financial guarantee contracts**

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

**(c) Regular way purchase or sale of financial assets**

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group commits itself to purchase or sell an asset).

Trade date accounting refers to:
(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.3 Financial instruments (continued)**

**(d) Derecognition**

A financial asset or a part of it is derecognised when, and only when:
(i) the contractual rights to receive cash flows from the financial asset expire; or
(ii) the Group has transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either
    (a) the Group has transferred substantially all the risks and rewards of the asset; or
    (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

**(e) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the combined statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.4 Property, plant and equipment**

**(a) Recognition and measurement**

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

**(b) Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

**(c) Depreciation**

Property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

| | **Useful lives (years)** |
|---|---|
| Computer and software | 4 |
| Furniture and fittings | 4 |
| Motor vehicles | 5 |
| Office equipment | 4 |
| Renovation | 10 |
| Right-of-use assets | 2 - 9 |

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.4 Property, plant and equipment (continued)**

**(d) Derecognition**

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

**3.5 Leases**

**(a) Definition of lease**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

**(b) Lessee accounting**

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(b).

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.5 Leases (continued)**

**(b) Lessee accounting (continued)**

Lease liability

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.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.5 Leases (continued)**

**(b) Lessee accounting (continued)**

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**(c) Lessor accounting**

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

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.5(b), then it classifies the sub-lease as an operating lease.

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

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

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

**3.6 Contract assets/(liabilities)**

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(a).

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.7 Cash and cash equivalents**

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

**3.8 Impairment of assets**

**(a) Impairment of financial assets and contract assets**

Financial assets measured at amortised cost, financial assets measured at FVOCI, lease receivables, contract assets, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group measures loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than 30 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.8 Impairment of assets (continued)**

**(a) Impairment of financial assets and contract assets (continued)**

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the combined statements of financial position.

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.8 Impairment of assets (continued)**

**(b) Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the assets' recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset of a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds the recoverable amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit of groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in OCI. In the latter case, the impairment is recognised in OCI up to the amount of any previous revaluation.

For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.9 Share capital**

**(a) Ordinary shares**

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

**(b) Preference shares**

Preference shares are classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividend payments are discretionary. Dividends thereon are recognized as distributions within equity.

Preference shares are classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

**3.10 Employee benefits**

**(a) Short-term employee benefits**

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

**(b) Defined contribution plans**

As required by law, the Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.11 Revenue and other income**

The Group recognises revenue that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group measures revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group uses the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group expects to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the standalone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group has assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.11 Revenue and other income (continued)**

Financing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

**(a) Maintenance and support services for information technologies**

Revenue from maintenance and support services for information technologies is recognised at a point in time when service is rendered to the customer, which is the point in time when the performance obligation in the contract with customer is satisfied.

**(b) Interest income**

Interest income is recognised using the effective interest method.

**3.12 Borrowing costs**

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

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.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.13 Income tax**

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

**(a) Current tax**

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

**(b) Deferred tax**

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the combined statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.13 Income tax (continued)**

**(b) Deferred tax (continued)**

Deferred tax is 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 tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

**(c) Sales and services tax**

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

**(d) Value-added tax**

Value-added tax receivables represent value-added tax imposed on the Group by its supplier for the acquisition of goods and services as required by the Philippine taxation laws and regulations. Value-added tax receivables are disclosed in Note 7 and will be used to offset against the current value-added tax payables. Value added tax receivables are initially recognised at actual amount paid for or costs and subsequently stated at its net recoverable amount (cost less impairment).

Value-added tax payables represent value-added tax imposed on the Group's vatable gross sales or receipts for the sales of goods or services as required by the Philippine taxation laws and regulations. Value-added tax payables are disclosed in Note 15. Value-added tax payables are stated at their undiscounted cash amount to be paid.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.14 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

### 3.15 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

### 3.16 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a 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.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the data of the event or change in circumstances that caused the transfers.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.17 Contingencies**

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:
(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

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

**(a) Impairment of financial assets and contract assets**

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimate at the end of each reporting period.

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are depending on the number of days that a trade receivable is past due. The Group uses the group according to the customer segments that have similar loss patterns. The criterias include geographical region, product type, customer type and rating, collateral or trade credit insurance.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

**(a) Impairment of financial assets and contract assets (continued)**

The provision matrix is initially based on the Group's historical observed default rates. The group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 25(b).

**(c) Measurement of income taxes**

The Group operates in various jurisdictions and are subject to income taxes in each jurisdiction. Significant judgement is required in determining the Group's estimation for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expense of the Group are disclosed in Note 21.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT

| | Computer and software RM'000 | Furniture and fittings RM'000 | Motor vehicles RM'000 | Office equipment RM'000 | Renovation RM'000 | Right-of-use assets RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| **FYE 31 May 2019** | | | | | | | |
| **Cost** | | | | | | | |
| At 1 June 2018 | 456 | 218 | 1,328 | 117 | - | - | 2,119 |
| Adjustment on initial application of MFRS 16 | - | - | - | - | - | 500 | 500 |
| Reclassification | - | - | (317) | - | - | 317 | - |
| Adjusted balance 1 June 2018 | 456 | 218 | 1,011 | 117 | - | 817 | 2,619 |
| Additions | 159 | - | 8 | 40 | - | 311 | 518 |
| At 31 May 2019 | 615 | 218 | 1,019 | 157 | - | 1,128 | 3,137 |
| **Accumulated depreciation** | | | | | | | |
| At 1 June 2018 | 136 | 59 | 721 | 43 | - | - | 959 |
| Adjustment on initial application of MFRS 16 | - | - | - | - | - | 133 | 133 |
| Reclassification | - | - | (100) | - | - | 100 | - |
| Adjusted balance 1 June 2018 | 136 | 59 | 621 | 43 | - | 233 | 1,092 |
| Depreciation charge for the financial year | 130 | 52 | 177 | 31 | - | 146 | 536 |
| At 31 May 2019 | 266 | 111 | 798 | 74 | - | 379 | 1,628 |
| **Carrying amount** | | | | | | | |
| At 1 June 2018 | 320 | 159 | 390 | 74 | - | 584 | 1,527 |
| At 31 May 2019 | 349 | 107 | 221 | 83 | - | 749 | 1,509 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

| | Computer and software RM'000 | Furniture and fittings RM'000 | Motor vehicles RM'000 | Office equipment RM'000 | Renovation RM'000 | Right-of-use assets RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| **FYE 31 May 2020** | | | | | | | |
| **Cost** | | | | | | | |
| At 1 June 2019 | 615 | 218 | 1,019 | 157 | - | 1,128 | 3,137 |
| Additions | 85 | 29 | - | 17 | - | 126 | 257 |
| Disposal | - | - | (450) | - | - | - | (450) |
| At 31 May 2020 | 700 | 247 | 569 | 174 | - | 1,254 | 2,944 |
| **Accumulated depreciation** | | | | | | | |
| At 1 June 2019 | 266 | 111 | 798 | 74 | - | 379 | 1,628 |
| Depreciation charge for the financial year | 144 | 57 | 114 | 36 | - | 230 | 581 |
| Disposal | - | - | (450) | - | - | - | (450) |
| At 31 May 2020 | 410 | 168 | 462 | 110 | - | 609 | 1,759 |
| **Carrying amount** | | | | | | | |
| At 1 June 2019 | 349 | 107 | 221 | 83 | - | 749 | 1,509 |
| At 31 May 2020 | 290 | 79 | 107 | 64 | - | 645 | 1,185 |

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Computer and software RM'000 | Furniture and fittings RM'000 | Motor vehicles RM'000 | Office equipment RM'000 | Renovation RM'000 | Right-of-use assets RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| **FYE 31 May 2021** | | | | | | | |
| **Cost** | | | | | | | |
| At 1 June 2020 | 700 | 247 | 569 | 174 | - | 1,254 | 2,944 |
| Additions | 52 | 364 | - | 161 | 341 | 993 | 1,911 |
| Disposal | - | - | (561) | - | - | - | (561) |
| At 31 May 2021 | 752 | 611 | 8 | 335 | 341 | 2,247 | 4,294 |
| **Accumulated depreciation** | | | | | | | |
| At 1 June 2020 | 410 | 168 | 462 | 110 | - | 609 | 1,759 |
| Depreciation charge for the financial year | 154 | 92 | 2 | 60 | 26 | 434 | 768 |
| Disposal | - | - | (458) | - | - | - | (458) |
| At 31 May 2021 | 564 | 260 | 6 | 170 | 26 | 1,043 | 2,069 |
| **Carrying amount** | | | | | | | |
| At 1 June 2020 | 290 | 79 | 107 | 64 | - | 645 | 1,185 |
| At 31 May 2021 | 188 | 351 | 2 | 165 | 315 | 1,204 | 2,225 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Computer and software RM'000 | Furniture and fittings RM'000 | Motor vehicles RM'000 | Office equipment RM'000 | Renovation RM'000 | Right-of-use assets RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| **FYE 31 May 2022** | | | | | | | |
| **Cost** | | | | | | | |
| At 1 June 2021 | 752 | 611 | 8 | 335 | 341 | 2,247 | 4,294 |
| Additions | 2,493 | - | 4 | 16 | - | 1,982 | 4,495 |
| Disposal | - | (22) | - | - | - | - | (22) |
| Written off | - | - | - | - | (36) | - | (36) |
| Derecognised due to end of lease term | - | - | - | - | - | (626) | (626) |
| At 31 May 2022 | 3,245 | 589 | 12 | 351 | 305 | 3,603 | 8,105 |
| **Accumulated depreciation** | | | | | | | |
| At 1 June 2021 | 564 | 260 | 6 | 170 | 26 | 1,043 | 2,069 |
| Depreciation charge for the financial year | 546 | 106 | 3 | 61 | 34 | 544 | 1,294 |
| Disposal | - | (22) | - | - | - | - | (22) |
| Written off | - | - | - | - | (7) | - | (7) |
| Derecognised due to end of lease term | - | - | - | - | - | (626) | (626) |
| At 31 May 2022 | 1,110 | 344 | 9 | 231 | 53 | 961 | 2,708 |
| **Carrying amount** | | | | | | | |
| At 1 June 2021 | 188 | 351 | 2 | 165 | 315 | 1,204 | 2,225 |
| At 31 May 2022 | 2,135 | 245 | 3 | 120 | 252 | 2,642 | 5,397 |

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Right-of-use assets

The Group lease several assets including motor vehicles and office buildings.

Information about leases for which the Group are lessees is presented below:

| | Motor vehicles RM'000 | Office buildings RM'000 | Total RM'000 |
|---|---|---|---|
| **Carrying amount** | | | |
| At 1 June 2018 | 217 | 367 | 584 |
| Additions | 311 | - | 311 |
| Depreciation | (52) | (94) | (146) |
| At 31 May 2019 | 476 | 273 | 749 |
| Additions | - | 126 | 126 |
| Depreciation | (126) | (104) | (230) |
| At 31 May 2020 | 350 | 295 | 645 |
| Additions | - | 993 | 993 |
| Depreciation | (126) | (308) | (434) |
| At 31 May 2021 | 224 | 980 | 1,204 |
| Additions | 638 | 1,344 | 1,982 |
| Depreciation | (136) | (408) | (544) |
| At 31 May 2022 | 726 | 1,916 | 2,642 |

The Group lease office buildings for their office space and operations. The leases for office space generally have lease terms of 2 to 6 years.

The Group also lease motor vehicles with lease term of 4 to 9 years with options to purchase the assets at the end of the lease term.

Extension and termination options
The Group has several lease contracts that include extension options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 6. DEFERRED TAX ASSET/(LIABILITIES)

Deferred tax relates to the following:

| | As at 1 June 2018 | Recognised in profit or loss | Exchange differences | As at 31 May 2019 |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Deferred tax liabilities:** | | | | |
| Property, plant and equipment | (46) | 3 | - | (43) |
| Prepayments | (1,286) | 32 | - | (1,254) |
| | (1,332) | 35 | - | (1,297) |
| **Deferred tax assets:** | | | | |
| Contract liabilities | 1,987 | 471 | - | 2,458 |
| Lease liabilities | - | 2 | - | 2 |
| | 1,987 | 473 | - | 2,460 |
| | 655 | 508 | - | 1,163 |

| | As at 1 June 2019 | Recognised in profit or loss | Exchange differences | As at 31 May 2020 |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Deferred tax liabilities:** | | | | |
| Property, plant and equipment | (43) | 6 | - | (37) |
| Prepayments | (1,254) | 61 | - | (1,193) |
| | (1,297) | 67 | - | (1,230) |
| **Deferred tax assets:** | | | | |
| Contract liabilities | 2,458 | (495) | - | 1,963 |
| Lease liabilities | 2 | - | - | 2 |
| Unabsorbed losses carried forward | - | 128 | 1 | 129 |
| | 2,460 | (367) | 1 | 2,094 |
| | 1,163 | (300) | 1 | 864 |

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 6. DEFERRED TAX ASSET/(LIABILITIES) (CONTINUED)

Deferred tax relates to the following: (continued)

| | As at 1 June 2020 | Recognised in profit or loss | Exchange differences | As at 31 May 2021 |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Deferred tax liabilities:** | | | | |
| Property, plant and equipment | (37) | (13) | - | (50) |
| Prepayments | (1,193) | (1,751) | (20) | (2,964) |
| | (1,230) | (1,764) | (20) | (3,014) |
| **Deferred tax assets:** | | | | |
| Contract liabilities | 1,963 | 1,631 | 14 | 3,608 |
| Lease liabilities | 2 | 13 | - | 15 |
| Unabsorbed losses carried forward | 129 | (129) | * | - |
| Allowance for doubtful debts | - | 15 | * | 15 |
| Unrealised foreign exchange losses | - | 5 | * | 5 |
| Unabsorbed capital allowances | - | 10 | - | 10 |
| | 2,094 | 1,545 | 14 | 3,653 |
| | 864 | (219) | (6) | 639 |

| | As at 1 June 2021 | Recognised in profit or loss | Exchange differences | As at 31 May 2022 |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Deferred tax liabilities:** | | | | |
| Property, plant and equipment | (50) | (387) | - | (437) |
| Prepayments | (2,964) | (1,600) | 39 | (4,525) |
| | (3,014) | (1,987) | 39 | (4,962) |
| **Deferred tax assets:** | | | | |
| Contract liabilities | 3,608 | 3,565 | (21) | 7,152 |
| Prepayments | | | | |
| Lease liabilities | 15 | (1) | - | 14 |
| Allowance for doubtful debts | 15 | - | * | 15 |
| Unrealised foreign exchange losses | 5 | (61) | * | (56) |
| Unabsorbed capital allowances | 10 | (10) | - | - |
| | 3,653 | 3,493 | (21) | 7,125 |
| | 639 | 1,506 | 18 | 2,163 |

* *Less than RM1,000*

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

## 6. DEFERRED TAX ASSET/(LIABILITIES) (CONTINUED)

Deferred tax relates to the following: (continued)

| | As at 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Presented after appropriate offsetting as follows:** | | | | |
| Deferred tax assets | 1,163 | 864 | 965 | 5,231 |
| Deferred tax liabilities | - | - | (326) | (3,068) |
| | 1,163 | 864 | 639 | 2,163 |

## 7. TRADE AND OTHER RECEIVABLES

| | Note | As at 31 May | | | |
|---|---|---|---|---|---|
| | | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Non-current:** | | | | | |
| **Non-trade** | | | | | |
| Other receivables | | - | 654 | 632 | 874 |
| Total other receivables (non-current) | | - | 654 | 632 | 874 |
| **Current:** | | | | | |
| **Trade** | | | | | |
| Trade receivables | (a) | | | | |
| - Third parties | | 3,366 | 6,944 | 14,039 | 38,523 |
| Less: Impairment for trade receivables | | - | - | (62) | (61) |
| | | 3,366 | 6,944 | 13,977 | 38,462 |

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

## 7. TRADE AND OTHER RECEIVABLES (CONTINUED)

| | | As at 31 May | | | |
|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | 2022 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| **Non-trade** | | | | | |
| Other receivables | | - | 174 | 507 | 2,468 |
| Deposits | (b) | 797 | 841 | 910 | 224 |
| Prepayments | (c) | 5,232 | 23,563 | 29,513 | 43,084 |
| Withholding tax receivables ("WHT") | | - | 65 | 479 | - |
| Goods and services tax receivables ("GST") | | - | 38 | 104 | 586 |
| Value-added tax receivables ("VAT") | | - | 705 | 3,304 | 1,222 |
| | | 6,029 | 25,386 | 34,817 | 47,584 |
| Total trade and other receivables (current) | | 9,395 | 32,330 | 48,794 | 86,046 |
| Total trade and other receivables (non-current and current) | | 9,395 | 32,984 | 49,426 | 86,920 |

### (a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group is 30 days. Other credit terms are assessed and approved on a case by case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

| | As at 31 May | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 June | - | - | - | 62 |
| Charge for the financial year | | | | |
| - Individually assessed | - | - | 62 | - |
| Foreign exchange differences | - | - | - | (1) |
| At 31 May | - | - | 62 | 61 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**7. TRADE AND OTHER RECEIVABLES (CONTINUED)**

**(b) Deposits**

Included in deposits is an amount of RM Nil (2021:RM710,278; 2020:RM Nil: 2019:RM Nil) placed in a financial institution as a performance guarantee.

**(c) Prepayments**

Deferred costs included in prepayments represent advance billings from creditors. This amount will be recognised in profit and loss upon performance of service.

**8. CONTRACT ASSETS/(LIABILITIES)**

| | As at 31 May | | | |
|---|---|---|---|---|
| | **2019 RM'000** | **2020 RM'000** | **2021 RM'000** | **2022 RM'000** |
| **Current:** | | | | |
| Contract assets relating to timing difference between recognition of revenue and issuance of invoice | 3,580 | 2,323 | - | - |
| Total contract assets | 3,580 | 2,323 | - | - |
| Contract liabilities relating to information technology service contracts | (10,242) | (26,175) | (42,135) | (60,784) |
| Total contract liabilities | (10,242) | (26,175) | (42,135) | (60,784) |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**8. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)**

**(a) Significant changes in contract balances**

| | FYE 31 May | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | | 2020 | | 2021 | | 2022 | |
| | Contract assets Increase/ (decrease) RM'000 | Contract liabilities (Increase)/ decrease RM'000 | Contract assets Increase/ (decrease) RM'000 | Contract liabilities (Increase)/ decrease RM'000 | Contract assets Increase/ (decrease) RM'000 | Contract liabilities (Increase)/ decrease RM'000 | Contract assets Increase/ (decrease) RM'000 | Contract liabilities (Increase)/ decrease RM'000 |
| Revenue recognised that was included in contract liabilities at the beginning of the financial year | - | 8,277 | - | 10,242 | - | 26,175 | - | 39,790 |
| Increase due to consideration received from customers/progress billings issued, but revenue not recognised | - | (10,242) | - | (26,175) | - | (42,135) | - | (58,439) |
| Increase due to revenue recognised, but no right to consideration | 3,580 | - | 2,323 | - | - | - | - | - |
| Transfer from contract assets recognised at the beginning of the period to receivables | - | - | (3,580) | - | (2,323) | - | - | - |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**8. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)**

**(b) Revenue recognised in relation to contract balances**

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Revenue recognised that was included in contract liabilities at the beginning of the financial year | 8,277 | 10,242 | 26,175 | 39,790 |

**9. CASH AND SHORT-TERM DEPOSITS**

| | As at 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Cash and bank balances | 1,618 | 8,584 | 17,357 | 42,331 |
| Short-term deposits | 15,328 | 18,397 | 7,138 | 28,603 |
| | 16,946 | 26,981 | 24,495 | 70,934 |

For the purpose of the combines statements of cash flows, cash and cash equivalents comprise of the following:

| | As at 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Short-term deposits | 15,328 | 18,397 | 7,138 | 28,603 |
| Less: Pledged deposits | (328) | (1,142) | (1,978) | (5,542) |
| | 15,000 | 17,255 | 5,160 | 23,061 |
| Cash and bank balances | 1,618 | 8,584 | 17,357 | 42,331 |
| | 16,618 | 25,839 | 22,517 | 65,392 |

Included in the deposits placed with licensed bank of the Group, RM5,541,701 (2021: RM1,978,052; 2020: RM1,141,707 and 2019: RM328,169) is pledged for banking facilities granted to the Group as disclosed in Note 14.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 10. INVESTED EQUITY/SHARE CAPITAL

| | Number of ordinary shares | | | | Amount | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 Unit'000 | 2020 Unit'000 | 2021 Unit'000 | 2022 Unit'000 | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Issued and fully paid-up:** | | | | | | | | |
| At 1 June | 1,147 | 1,147 | 5,157 | 7,093 | 1,147 | 1,147 | 5,178 | 11,086 |
| Bonus Issue | - | 4,000 | - | - | - | 4,000 | - | - |
| Issuance of shares | - | 10 | 1,946 | 17 | - | 31 | 5,939 | 139 |
| Adjustment pursuant to restructuring exercise | - | - | (10) | (147) | - | - | (31) | (150) |
| At 31 May | 1,147 | 5,157 | 7,093 | 6,963 | 1,147 | 5,178 | 11,086 | 11,075 |

For the purpose of this report, the invested equity at the end of the respective financial years 31 May 2020 and 31 May 2021 is the aggregate of the share capital of the combining entities constituting the Group. Pursuant to the Pre-Initial Public Offering Reorganisation, the total number of shares as at 31 May 2022 represents the number of issued shares of the Group.

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regards to the Company's residual assets.

## 11. IRREDEEMABLE PREFERENCE SHARES

On 22 December 2021, 21,000 preference shares of THB25 each were issued by Infomina Berhad to an employee of Infomina (Thailand) Co., Ltd. The salient features of the preference shares are as follows:

- The preference shares carry voting rights of 1 vote per 20 preference shares;
- The preference shares are not redeemable at a fixed date; and
- The preference shares carry a dividend of 5% of the par value of the preferred shares in the event the company has a profit after the legal reserve and other necessary reserves have been completed without accumulated loss.

## 12. REORGANISATION RESERVE

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

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**13. OTHER RESERVES**

| | As at 31 May | | | |
|---|---|---|---|---|
| | **2019 RM'000** | **2020 RM'000** | **2021 RM'000** | **2022 RM'000** |
| Exchange reserve | - | * | 29 | 41 |
| Legal reserve | - | - | - | 51 |
| | - | * | 29 | 92 |

* *Less than RM1,000*

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

Under the provisions of the Civil and Commercial Code, Infomina (Thailand) Co.,Ltd. is required to set aside as a legal reserve at least 5% of its net profit at each dividend declaration until the reserve reaches 10% of authorised capital. The reserve is not available for dividend distribution.

As at 31 May 2022, the legal reserve of the Company is equal to 10% of authorised capital.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

## 14. LOANS AND BORROWINGS

| | | As at 31 May | | | |
|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | 2022 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| **Non-current:** | | | | | |
| Term loan | (a) | 237 | 108 | - | - |
| Lease liabilities | (b) | 672 | 582 | 1,002 | 2,213 |
| | | 909 | 690 | 1,002 | 2,213 |
| **Current:** | | | | | |
| Term loan | (a) | 74 | 129 | 108 | 90 |
| Lease liabilities | (b) | 154 | 222 | 470 | 739 |
| | | 228 | 351 | 578 | 829 |
| **Total loans and borrowings:** | | | | | |
| Term loan | (a) | 311 | 237 | 108 | 90 |
| Lease liabilities | (b) | 826 | 804 | 1,472 | 2,952 |
| | | 1,137 | 1,041 | 1,580 | 3,042 |

### (a) Term loan

Term loan of the Group of RM89,958 (2021: RM108,019; 2020: RM236,720 and 2019: RM311,146) bears interest at Base Financing Rate ("BFR") plus 4.00% per annum ("p.a."), plus 4.50% p.a. or 15.00% p.a. whichever is higher and is repayable by monthly instalments of RM10,400 over seven years commencing from the day of first drawdown and is secured and supported as follows:

(i) Letter of offer;
(ii) Asset sale agreement (Islamic financing);
(ii) Joint and several guarantee by the Group's Director; and
(iii) Guarantee by Credit Guarantee Corporation Malaysia Berhad Guarantee under Portfolio Guarantee for RM420,000.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**14. LOANS AND BORROWINGS (CONTINUED)**

**(b) Lease liabilities**

Future minimum lease payments under finance lease together with the present value of net minimum lease payments are as follows:

| | As at 31 May | | | |
|---|---|---|---|---|
| | **2019 RM'000** | **2020 RM'000** | **2021 RM'000** | **2022 RM'000** |
| Minimum lease payments: | | | | |
| Not later than one year | 198 | 260 | 460 | 885 |
| Later than one year and not later than five years | 671 | 592 | 1,189 | 2,491 |
| Later than five years | 86 | 44 | 1 | - |
| | 955 | 896 | 1,650 | 3,376 |
| Less: Future finance charges | (129) | (92) | (178) | (424) |
| Present value of minimum lease payments | 826 | 804 | 1,472 | 2,952 |
| Present value of minimum lease payments payable: | | | | |
| Not later than one year | 154 | 222 | 470 | 739 |
| Later than one year and not later than five years | 558 | 500 | 970 | 2,213 |
| later than five years | 114 | 82 | 32 | - |
| | 826 | 804 | 1,472 | 2,952 |
| Less: Amount due within twelve months | (154) | (222) | (470) | (739) |
| Amount due after twelve months | 672 | 582 | 1,002 | 2,213 |

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 15. TRADE AND OTHER PAYABLES

| | Note | As at 31 May 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
|---|---|---|---|---|---|
| **Current:** | | | | | |
| **Trade** | | | | | |
| Trade payables | (a) | | | | |
| - Third parties | | 6,773 | 16,261 | 8,597 | 19,182 |
| Trade accruals | | - | - | - | 33,178 |
| | | 6,773 | 16,261 | 8,597 | 52,360 |
| **Non-trade** | | | | | |
| Other payables | | 35 | 427 | 153 | 252 |
| Accruals | | 1,028 | 1,562 | 703 | 4,791 |
| Amount owing to a director | (b) | 46 | 1,507 | 73 | - |
| Withholding tax payables ("WHT") | | - | 21 | 208 | 1,290 |
| Value-added tax payables ("VAT") | | - | 578 | - | - |
| Sales and service tax payables ("SST") | | 540 | 1,405 | 45 | 373 |
| | | 1,649 | 5,500 | 1,182 | 6,706 |
| Total trade and other payables (current) | | 8,422 | 21,761 | 9,779 | 59,066 |

**(a) Trade payables**

Trade receivables are non-interest bearing and the normal credit terms granted to the Group is 30 days.

**(b) Amount owing to a director**

Amount owing to a director is unsecured, non-trade in nature, non-interest bearing, repayable on demand and is expected to be settled in cash.

For explanation on the Group's liquidity risk management process, refer to Note 25(b)(ii).

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 16. REVENUE

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Revenue from contract customers:** | | | | |
| Technology infrastructure operations, maintenance, and support services | 23,460 | 36,276 | 77,368 | 99,884 |
| Design and delivery of technology infrastructure solutions | 42,546 | 45,340 | 27,856 | 101,179 |
| | 66,006 | 81,616 | 105,224 | 201,063 |
| **Time of revenue recognition:** | | | | |
| At a point in time | 66,006 | 81,616 | 105,224 | 201,063 |

### 17. OTHER INCOME

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Net realise foreign exchange gain | - | - | 61 | 245 |
| Net unrealised foreign exchange gain | - | - | - | 287 |
| Interest income | 348 | 394 | 245 | 225 |
| Gain on disposal of property, plant and equipment | - | 90 | 87 | 4 |
| Miscellaneous | - | - | - | 3 |
| Late payment charges | - | 1,362 | - | - |
| | 348 | 1,846 | 393 | 764 |

### 18. FINANCE COSTS

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Interest expense on:** | | | | |
| - Term loan | 50 | 29 | 17 | 107 |
| - Lease liabilities | 52 | 49 | 85 | 79 |
| | 102 | 78 | 102 | 186 |

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 19. PROFIT BEFORE TAX

Other than as disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax:

| | | FYE 31 May | | | |
|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | 2022 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| Auditors' remuneration | | | | | |
| - Malaysian operations | | 12 | 19 | 39 | 86 |
| - Overseas operation | | - | 1 | 168 | 254 |
| - Others | | - | - | - | 217 |
| Depreciation of property, plant and equipment | **5** | 536 | 581 | 768 | 1,294 |
| Property, plant and equipment written off | | - | - | - | 29 |
| Impairment loss on trade receivables | **7** | - | - | 62 | - |
| Employee benefits expense | **20** | 10,437 | 12,775 | 13,817 | 18,338 |
| Expenses relating to short term leases | | | | | |
| - Rental of office premise | | 192 | 192 | 229 | 150 |
| - Low value assets | | 13 | 41 | 44 | 60 |
| Net realised foreign exchange losses | | - | 899 | - | - |
| Net unrealised foreign exchange losses | | - | 206 | 252 | - |

### 20. EMPLOYEE BENEFITS EXPENSE

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Salaries, allowances and bonuses | 9,303 | 11,361 | 12,084 | 16,250 |
| Defined contribution plans | 1,019 | 1,264 | 1,554 | 1,901 |
| Other staff related benefits | 115 | 150 | 179 | 187 |
| | 10,437 | 12,775 | 13,817 | 18,338 |
| Included in employee benefits expenses are: | | | | |
| - Directors' fee | 18 | 18 | 28 | 119 |
| - Salaries, allowances and bonuses | 2,069 | 2,101 | 2,462 | 4,000 |
| - Directors' defined contribution plan | 240 | 253 | 361 | 480 |
| - Directors' other emoluments | 2 | 3 | 3 | 4 |
| | 2,329 | 2,375 | 2,854 | 4,603 |

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 21. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 May 2019, 31 May 2020, 31 May 2021 and 31 May 2022 are as follows:

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Combined statements of comprehensive income** | | | | |
| **Current income tax:** | | | | |
| - Current income tax charge | 2,647 | 835 | 3,538 | 6,667 |
| - Adjustment in respect of prior year | 26 | - | - | (190) |
| Total current income tax | 2,673 | 835 | 3,538 | 6,477 |
| **Deferred tax (Note 6):** | | | | |
| - Origination/(Reversal) of temporary differences | (508) | 300 | 219 | (808) |
| - Adjustment in respect of prior year | - | - | - | (698) |
| | (508) | 300 | 219 | (1,506) |
| Income tax expense recognised in profit or loss | 2,165 | 1,135 | 3,757 | 4,971 |

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated taxable profit for the financial year.

The income tax rate applicable to small and medium scale enterprise ("SME") incorporated in Malaysia with paid-up capital of RM2,500,000 and below and annual sales less than RM50,000,000 (2021 and 2020: RM50,000,000 and 2019: Nil) is subject to the statutory tax rate of 17% (2021, 2020 and 2019: 17%) on chargeable income up to RM600,000 (2021 and 2020: RM600,000 and 2019: RM500,000). For chargeable income excess of RM600,000 (2021 and 2020: RM600,000 and 2019:RM500,000), statutory tax rate of 24% (2021, 2020 and 2019: 24%) is still applicable.

The Group has paid-up capital of more than RM2,500,000 for the financial year ended 31 May 2020, 31 May 2021 and 31 May 2022. Hence, domestic tax rate is calculated at the Malaysia statutory income tax rate of 24% on the estimable profit for the financial year after 31 May 2020.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 21. INCOME TAX EXPENSE (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expense are as follows:

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Profit before tax | 9,067 | 4,507 | 12,046 | 22,051 |
| Taxation at Malaysian statutory income tax rate of 24% | 2,176 | 1,082 | 2,891 | 5,292 |
| Different rate in other country | - | (22) | (118) | (791) |
| Singapore statutory stepped income exemption | - | (6) | - | - |
| SME Tax Savings | (35) | - | - | - |
| Effect of changes in tax rate | - | - | (62) | - |
| Adjustments: | | | | |
| Non-taxable income | (75) | (65) | (2) | (502) |
| Non-deductible expenses | 73 | 146 | 1,050 | 1,860 |
| Deferrred tax not recognised on tax losses and temporary differences | - | - | 3 | - |
| Utilisation of previously unrecognised tax losses and capital allowance | - | - | (5) | - |
| Adjustment in respect of current income tax of prior years | 26 | - | - | (190) |
| Adjustment in respect of deferred tax of prior year | - | - | - | (698) |
| Income tax expense | 2,165 | 1,135 | 3,757 | 4,971 |

## 22. OTHER COMPREHENSIVE INCOME

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Other comprehensive income** | | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | | |
| Exchange differences on translation of foreign operations | - | * | 29 | 12 |

* *Less than RM1,000*

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 23. EARNINGS PER SHARE

**Basic earnings per ordinary share and diluted earnings per ordinary share**

Basic earnings per ordinary share are based on the profit for the financial year attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial years.

Diluted earnings per ordinary share are based on the profit for the financial year attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic and diluted earnings per ordinary share are computed as follow:

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Profit attributable to owners of the Group | 6,902 | 3,372 | 8,287 | 17,078 |
| Weighted average number of ordinary shares for basic and diluted earnings per shares^ | 1,147 | 3,695 | 5,212 | 7,064 |
| Basic and diluted earnings per share (RM) | 6.02 | 0.91 | 1.59 | 2.42 |

^ For the purpose of calculating the earnings per ordinary shares for the financial years ended 31 May 2019, 31 May 2020, 31 May 2021 and 31 May 2022, the weighted average number of ordinary shares is the aggregate share capital of the combining entities constituting the Group.

## 24. DIVIDEND

| | As at 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| **Recognised during the financial year:** | | | | |
| Dividend on preference shares: | | | | |
| - Single-tier dividend for the financial year ended 31 May 2022: RM0.15 per preference share paid on 31 May 2022 | - | - | - | 3 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 25. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost

| | Carrying amount RM'000 | Amortised cost RM'000 |
|---|---|---|
| **At 31 May 2019** | | |
| **Financial assets** | | |
| Trade and other receivables, less prepayment | 4,163 | 4,163 |
| Cash and short-term deposits | 16,946 | 16,946 |
| | 21,109 | 21,109 |
| **Financial liabilities** | | |
| Loans and borrowings | (1,137) | (1,137) |
| Trade and other payables, less SST | (7,882) | (7,882) |
| | (9,019) | (9,019) |
| **At 31 May 2020** | | |
| **Financial assets** | | |
| Trade and other receivables less prepayment, WHT, GST and VAT | 8,613 | 8,613 |
| Cash and short-term deposits | 26,981 | 26,981 |
| | 35,594 | 35,594 |
| **Financial liabilities** | | |
| Loans and borrowings | (1,041) | (1,041) |
| Trade and other payables, less WHT, VAT and SST | (19,757) | (19,757) |
| | (20,798) | (20,798) |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(a) Categories of financial instruments (continued)**

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned: (continued)

| | Carrying amount RM'000 | Amortised cost RM'000 |
|---|---|---|
| **At 31 May 2021** | | |
| **Financial assets** | | |
| Trade and other receivables, | | |
| less prepayment, WHT, GST and VAT | 16,026 | 16,026 |
| Cash and short-term deposits | 24,495 | 24,495 |
| | 40,521 | 40,521 |
| **Financial liabilities** | | |
| Loans and borrowings | (1,580) | (1,580) |
| Trade and other payables, less WHT and SST | (9,526) | (9,526) |
| | (11,106) | (11,106) |
| **At 31 May 2022** | | |
| **Financial assets** | | |
| Trade and other receivables, | | |
| less prepayment, GST and VAT | 42,028 | 42,028 |
| Cash and short-term deposits | 70,934 | 70,934 |
| | 112,962 | 112,962 |
| **Financial liabilities** | | |
| Loans and borrowings | (3,042) | (3,042) |
| Trade and other payables, less WHT and SST | (57,403) | (57,403) |
| | (60,445) | (60,445) |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management**

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors review and agree to policies and procedures for the management of these risks, which are executed by the Group's senior management.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

**Trade receivables and contract assets**

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the combined statements of financial position.

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile
At the end of the reporting period, the Group has a significant concentration of credit risk in the form of two (2) (2021: one (1); 2020: three (3) and 2019: one (1)) trade receivables, representing approximately 90% (2021: 93%; 2020: 99%, and 2019: 93%) of the Group's total trade receivables.

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

## 25. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management (continued)

#### (i) Credit risk (continued)

**Trade receivables and contract assets (continued)**

The information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix are as follows:

| | | Trade receivables | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Contract assets RM'000 | Current RM'000 | 1 to 30 days past due RM'000 | 31 to 60 days past due RM'000 | 61 to 90 days past due RM'000 | 91 to 120 days past due RM'000 | > 120 days past due RM'000 | Total RM'000 |
| **At 31 May 2019** | | | | | | | | |
| Expected credit loss rate | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Gross carrying amount at default | 3,580 | 78 | 145 | 3,143 | - | - | - | 3,366 |
| Impairment losses | - | - | - | - | - | - | - | - |

| | | Trade receivables | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Contract assets RM'000 | Current RM'000 | 1 to 30 days past due RM'000 | 31 to 60 days past due RM'000 | 61 to 90 days past due RM'000 | 91 to 120 days past due RM'000 | > 120 days past due RM'000 | Total RM'000 |
| **At 31 May 2020** | | | | | | | | |
| Expected credit loss rate | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Gross carrying amount at default | 2,323 | 1,920 | 1,746 | 3,270 | 8 | - | - | 6,944 |
| Impairment losses | - | - | - | - | - | - | - | - |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management (continued)**

**(i) Credit risk (continued)**

**Trade receivables and contract assets (continued)**

The information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix are as follows: (continued)

| | | Trade receivables | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Contract assets RM'000 | Current RM'000 | 1 to 30 days past due RM'000 | 31 to 60 days past due RM'000 | 61 to 90 days past due RM'000 | 91 to 120 days past due RM'000 | > 120 days past due RM'000 | Total RM'000 |
| **At 31 May 2021** | | | | | | | | |
| Expected credit loss rate | 0% | 0% | 0% | 0% | 1% | 0% | 0% | 1% |
| Gross carrying amount at default | - | 1,714 | - | 144 | 12,181 | - | - | 14,039 |
| Impairment losses | - | - | - | - | (62) | - | - | (62) |

| | | Trade receivables | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Contract assets RM'000 | Current RM'000 | 1 to 30 days past due RM'000 | 31 to 60 days past due RM'000 | 61 to 90 days past due RM'000 | 91 to 120 days past due RM'000 | > 120 days past due RM'000 | Total RM'000 |
| **At 31 May 2022** | | | | | | | | |
| Expected credit loss rate | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Gross carrying amount at default | - | 1,043 | 30,631 | 6,644 | * | - | 205 | 38,523 |
| Impairment losses | - | - | - | - | - | - | (61) | (61) |

* *Less than RM1,000*

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management (continued)**

**(i) Credit risk (continued)**

**Other receivables and other financial assets**

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

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

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

As at the end of report date, the Group did not recognise any loss allowance for impairment for other receivables and other financial assets. Refer to Note 3.8(a) for the Group's other accounting policies for impairment of financial assets.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### 25. FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial risk management (continued)

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables, loans and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date is based on contractual undiscounted repayment obligations are as follows:

| | | Contractual cash flows | | | |
|---|---|---|---|---|---|
| | Carrying amount RM'000 | On demand or within one year RM'000 | Between one and five years RM'000 | Later than five years RM'000 | Total RM'000 |
| **At 31 May 2019** | | | | | |
| Trade and other payables, less SST | 7,882 | 7,882 | - | - | 7,882 |
| Term loan | 311 | 104 | 146 | 215 | 465 |
| Lease liabilities | 826 | 198 | 671 | 86 | 955 |
| | 9,019 | 8,184 | 817 | 301 | 9,302 |
| **At 31 May 2020** | | | | | |
| Trade and other payables, less WHT, VAT and SST | 19,757 | 19,757 | - | - | 19,757 |
| Term loan | 237 | 146 | 215 | - | 361 |
| Lease liabilities | 804 | 260 | 592 | 44 | 896 |
| | 20,798 | 20,163 | 807 | 44 | 21,014 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management (continued)**

**(ii) Liquidity risk (continued)**

Maturity analysis (continued)
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date is based on contractual undiscounted repayment obligations are as follows: (continued)

| | | ← Contractual cash flows → | | | |
|---|---|---|---|---|---|
| | Carrying amount RM'000 | On demand or within one year RM'000 | Between one and five years RM'000 | Later than five years RM'000 | Total RM'000 |
| **At 31 May 2021** | | | | | |
| Trade and other payables, less WHT & SST | 9,526 | 9,526 | - | - | 9,526 |
| Term loan | 108 | 125 | 90 | - | 215 |
| Lease liabilities | 1,472 | 460 | 1,189 | 1 | 1,650 |
| | 11,106 | 10,111 | 1,279 | 1 | 11,391 |
| **At 31 May 2022** | | | | | |
| Trade and other payables, less WHT & SST | 57,403 | 57,403 | - | - | 57,403 |
| Term loan | 90 | 90 | - | - | 90 |
| Lease liabilities | 2,952 | 885 | 2,491 | - | 3,376 |
| | 60,445 | 58,378 | 2,491 | - | 60,869 |

**(iii) Foreign currency risk**

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases and bank balances that are denominated in a foreign currency).

The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD") and United States Dollar ("USD").

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management (continued)**

**(iii) Foreign currency risk (continued)**

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

| | As at 31 May | | | |
|---|---|---|---|---|
| | **2019 RM'000** | **2020 RM'000** | **2021 RM'000** | **2022 RM'000** |
| **Other receivables** | | | | |
| Singapore dollar ("SGD") | - | - | 15 | 16 |
| **Cash and short-term deposits** | | | | |
| SGD | - | 47 | 330 | 4 |
| United States Dollar ("USD") | - | 156 | 4,718 | 10,478 |
| **Trade payables** | | | | |
| USD | - | 706 | - | 137 |
| **Other payables** | | | | |
| SGD | - | 5 | 20 | 1 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management (continued)**

**(ii) Foreign currency risk (continued)**

Sensitivity analysis for foreign currency risk
The Group's principal foreign currency exposure relates mainly to USD and SGD.

The following table demonstrates the sensitivity to a reasonably possible change in the USD and SGD, with all other variables held constant on the Group's total equity and profit for the financial years.

| | Change in rate | Effect on profit and equity for the financial year RM'000 |
|---|---|---|
| **At 31 May 2020** | | |
| USD | +5% | (21) |
| | -5% | 21 |
| SGD | +5% | 2 |
| | -5% | (2) |
| **At 31 May 2021** | | |
| USD | +5% | 179 |
| | -5% | (179) |
| SGD | +5% | 12 |
| | -5% | (12) |
| **At 31 May 2022** | | |
| USD | +5% | 393 |
| | -5% | (393) |
| SGD | +5% | 1 |
| | -5% | (1) |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management (continued)**

**(iv) Interest rate risk**

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years.

| | Carrying amount RM'000 | Change in basis points | Effect on profit and equity for the financial year RM'000 |
|---|---|---|---|
| **At 31 May 2019** | | | |
| - Term loan | 311 | + 50 | (1) |
| | | - 50 | 1 |
| **At 31 May 2020** | | | |
| - Term loan | 237 | + 50 | (1) |
| | | - 50 | 1 |
| **At 31 May 2021** | | | |
| - Term loan | 108 | + 50 | * |
| | | - 50 | * |
| **At 31 May 2022** | | | |
| - Term loan | 90 | + 50 | * |
| | | - 50 | * |

* *Less than RM1,000*

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**25. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Financial risk management (continued)**

**(v) Fair value measurement**

The carrying amounts of cash and short-term deposits, receivables and payables and short-term borrowings are reasonably approximate to their fair values due to relatively short-term nature of these financial instruments.

There have been no material transfers between Level 1, Level 2 and Level 3 during the financial years.

| | | Fair value of financial instruments not carried at fair velue | | | |
|---|---|---|---|---|---|
| | Carrying amount RM'000 | Fair value Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
| **At 31 May 2019** | | | | | |
| Term loan | 237 | - | - | 299 | 299 |
| **At 31 May 2020** | | | | | |
| Term loan | 108 | - | - | 183 | 183 |
| **At 31 May 2021** | | | | | |
| Term loan | - | - | - | - | - |
| **At 31 May 2022** | | | | | |
| Term loan | - | - | - | - | - |

**Level 3 fair value**

<u>Fair value of financial instruments not carried at fair value</u>
The fair value of liability component of term loans and bridging loans are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 26. RELATED PARTIES

### (a) Identification of related parties

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

Related parties of the Group include:
(i) Entity in which certain directors have substantial financial interests; and
(ii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities or indirectly.

### (b) Significant related party transactions

Significant related parties transactions other than disclosed elsewhere in the financial statements are as follows:

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Rental expense: | | | | |
| - Entity in which certain directors have substantial financial interests | 96 | 96 | 96 | 96 |
| - Key management personnel of the Group | 96 | 96 | 96 | 96 |

### (c) Compensation of key management personnel

| | FYE 31 May | | | |
|---|---|---|---|---|
| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 |
| Directors' fee | 18 | 18 | 28 | 119 |
| Salaries, allowances and bonuses | 2,069 | 2,101 | 2,462 | 5,496 |
| Defined contribution plan | 240 | 253 | 361 | 659 |
| Other staff related expenses | 2 | 3 | 3 | 7 |
| | 2,329 | 2,375 | 2,854 | 6,281 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 May 2019, 31 May 2020, 31 May 2021 and 31 May 2022.

The Group monitors capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity of the Group. The gearing ratio as at 31 May 2019, 31 May 2020, 31 May 2021 and 31 May 2022 are as follows:

| | | As at 31 May | | | |
|---|---|---|---|---|---|
| | | **2019** | **2020** | **2021** | **2022** |
| | **Note** | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| Loans and borrowings | **14** | 1,137 | 1,041 | 1,580 | 3,042 |
| Total debts | | 1,137 | 1,041 | 1,580 | 3,042 |
| Total equity | | 11,385 | 14,788 | 23,167 | 40,460 |
| Gearing ratio (times) | | 0.10 | 0.07 | 0.07 | 0.08 |

There were no changes in the Group's approach to capital management during the financial years under review.

The Group is not subject to externally imposed capital requirement.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

## 28. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

**Covid-19 pandemic**

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has announced 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 Group operates.

The Group has performed an assessment of the overall impact of the situation on the Group's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurements of assets and liabilities, and concluded that there is no material adverse effects on the financial statements for the financial year ended 31 May 2022.

Given the fluidity of the situation, the Group is unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 31 May 2023 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group will continuously monitor any material changes to future economic conditions that will affect the Group.

## 29. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

**(a) Subdivision of shares**

Upon approval of IPO, Infomina Berhad will carry out a subdivision of the entire issued share capital of RM11,075,183 comprising 6,962,960 shares into RM11,075,183 comprising 520,081,200 shares.

The subdivision of shares did not have an impact to the pro forma combined statement of financial position other than an increase in the number of shares of Infomina from 6,962,960 to 520,081,200.

The subdivision of shares was completed on 6 October 2022.

**(b) Dividend-in-specie**

On 13 September 2022, Infomina Pte. Ltd. declared a distribution of its equity interest of 99.95% in Infomina Philippines, Inc at a consideration of RM883,800 to Infomina Berhad, being the cost of investment as at 31 May 2021 by way of dividend in specie. This transfer is pending issuance of the certificate authorising registration of transfer by the relevant authorities in the Philippines. Thereafter, Infomina Philippines, Inc will become a 99.95% direct subsidiary of Infomina Berhad.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**30. SEGMENT INFORMATION**

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decision about resource allocation and performance assessment.

| | **Technology infrastructure operations, maintenance, and support services RM'000** | **Design and delivery of technology infrastructure solutions RM'000** | **Total RM'000** |
|---|---|---|---|
| **31 May 2019** | | | |
| **Revenue:** | | | |
| Revenue from external customer | 23,460 | 42,546 | 66,006 |
| **Segment profit** | 1,930 | 13,696 | 15,626 |
| Other income | | | 348 |
| Unallocated expenses | | | (6,805) |
| Finance costs | | | (102) |
| Income tax expense | | | (2,165) |
| Profit for the financial year | | | 6,902 |
| **Results:** | | | |
| *Included in the measure of segment profit is:* | | | |
| Employee benefits expense | | | 5,495 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**30. SEGMENT INFORMATION (CONTINUED)**

| | Technology infrastructure operations, maintenance, and support services RM'000 | Design and delivery of technology infrastructure solutions RM'000 | Total RM'000 |
|---|---|---|---|
| **31 May 2020** | | | |
| **Revenue:** | | | |
| Revenue from external customer | 36,276 | 45,340 | 81,616 |
| **Segment profit** | 3,312 | 10,137 | 13,449 |
| Other income | | | 1,846 |
| Unallocated expenses | | | (10,710) |
| Finance costs | | | (78) |
| Income tax expense | | | (1,135) |
| Profit for the financial year | | | 3,372 |
| **Results:** | | | |
| *Included in the measure of segment profit is:* | | | |
| Employee benefits expense | | | 6,677 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**30. SEGMENT INFORMATION (CONTINUED)**

| | Technology infrastructure operations, maintenance, and support services RM'000 | Design and delivery of technology infrastructure solutions RM'000 | Total RM'000 |
|---|---|---|---|
| **31 May 2021** | | | |
| **Revenue:** | | | |
| Revenue from external customer | 77,368 | 27,856 | 105,224 |
| **Segment profit** | 16,775 | 7,169 | 23,944 |
| Other income | | | 393 |
| Unallocated expenses | | | (12,189) |
| Finance costs | | | (102) |
| Income tax expense | | | (3,757) |
| Profit for the financial year | | | 8,289 |
| **Results:** | | | |
| *Included in the measure of segment profit is:* | | | |
| Employee benefits expense | | | 6,097 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**30. SEGMENT INFORMATION (CONTINUED)**

| | Technology infrastructure operations, maintenance, and support services RM'000 | Design and delivery of technology infrastructure solutions RM'000 | Total RM'000 |
|---|---|---|---|
| **31 May 2022** | | | |
| **Revenue:** | | | |
| Revenue from external customer | 99,884 | 101,179 | 201,063 |
| **Segment profit** | 31,387 | 10,512 | 41,899 |
| Other income | | | 764 |
| Unallocated expenses | | | (20,426) |
| Finance costs | | | (186) |
| Income tax expense | | | (4,971) |
| Profit for the financial year | | | 17,080 |
| **Results:** | | | |
| *Included in the measure of segment profit is:* | | | |
| Employee benefits expense | | | 5,355 |

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**30. SEGMENT INFORMATION (CONTINUED)**

Geographical information

Revenue information based on the geographical location of customers are as follows:

| | Revenue RM'000 | Non-current assets RM'000 |
|---|---|---|
| **31 May 2019** | | |
| Malaysia | 66,006 | 1,509 |
| **31 May 2020** | | |
| Malaysia | 67,413 | 1,185 |
| Thailand | 10,321 | - |
| Philippines | 2,540 | 654 |
| Hong Kong | 1,342 | - |
| | 81,616 | 1,839 |
| **31 May 2021** | | |
| Malaysia | 41,164 | 2,225 |
| Thailand | 31,890 | 632 |
| Philippines | 26,802 | - |
| Hong Kong | 5,368 | - |
| | 105,224 | 2,857 |
| **31 May 2022** | | |
| Malaysia | 115,442 | 5,397 |
| Thailand | 32,543 | 874 |
| Philippines | 42,311 | - |
| Hong Kong | 9,714 | - |
| Taiwan | 1,053 | - |
| | 201,063 | 6,271 |

Information about major customers

For renewal license fee and maintenance services, hardware and support services, revenue from four (4) (31.05.2021: four (4); 31.05.2020: three (3) and 31.05.2019: two (2)) customers represented approximately RM135,521,000 (31.05.2021: RM68,880,000; 31.05.2020: RM71,106,000 and 31.05.2019: RM60,635,000) of the Group's total revenue.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
Chartered Accountants (AF 0117)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia

T : +603 2297 1000
F : +603 2282 9980

info@bakertilly.my
**www.bakertilly.my**

14 October 2022

The Board of Directors
**Infomina Berhad**
BO3-C-12-1, Menara 3A
No. 3, Jalan Bangsar
KL, Eco City
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Dear Sirs,

**INFOMINA BERHAD AND ITS SUBSIDIARIES**

**REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2022 INCLUDED IN A PROSPECTUS**

We have completed our assurance engagement to report on the compilation of the pro forma combined statement of financial position of Infomina Berhad ("Infomina" or " the Company") and its subsidiaries, namely Infomina Services Sdn. Bhd., Infomina Pte. Ltd., Infomina (Thailand) Co., Ltd, Infomina Philippines, Inc., PT Infomina Solution Indonesia and Infomina Limited (collectively referred to as the "Group") for which the directors of Infomina are solely responsible.

The pro forma combined statement of financial position consists of the pro forma combined statement of financial position as at 31 May 2022 together with the accompanying notes thereon, as set out in the accompanying statement, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of Infomina have compiled the pro forma combined statement of financial position are as described in Note 3 to the pro forma combined statement of financial position and in accordance with the requirements of the *Prospectus Guidelines – Equity* issued by the Securities Commission Malaysia ("Prospectus Guidelines") ("Applicable Criteria").

The pro forma combined statement of financial position of the Group has been compiled by the directors of Infomina, for illustrative purposes only, for inclusion in the prospectus of Infomina ("Prospectus") in connection with the listing of and quotation for the entire enlarged issued share capital of Infomina on the ACE Market of Bursa Malaysia Securities Berhad ("Listing"), after making certain assumptions and such adjustments to show the effects on the pro forma combined financial position of the Group as at 31 May 2022 adjusted for subsequent event as described in Note 2, the offer for sale, public issue and the utilisation of proceeds as described in Notes 1.2.2, 1.2.3 and 4.2.1, respectively.

As part of this process, information about the Group's pro forma combined statement of financial position has been extracted by the directors of Infomina from the audited financial statements of Infomina and its subsidiaries.

The audited financial statements of Infomina and its subsidiaries for the financial year ended ("FYE") 31 May 2022 were reported by the auditors to their respective members without any modifications.

*Directors' Responsibility for the Pro Forma Combined Statement of Financial Position*

The directors of Infomina are responsible for compiling the pro forma combined statement of financial position based on the Applicable Criteria.

*Our Independence and Quality Control*

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institutes of Accountants and the International Ethics Standards Boards for Accountants' *International Code of Ethic for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Reporting Accountants' Responsibilities*

Our responsibility is to express an opinion, on whether the pro forma combined statement of financial position has been compiled, in all material respects, by the directors of Infomina based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors of Infomina have compiled, in all material respects, the pro forma combined statement of financial position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined statement of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined statement of financial position.

The purpose of the pro forma combined statement of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined statement of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of Infomina in the compilation of the pro forma combined statement of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to Public Issue and the adjustment for subsequent events as described in Notes 1.2.3 and 2 to the pro forma combined statement of financial position, and to obtain sufficient appropriate evidence about whether:

(a) The pro forma combined statement of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma combined statement of financial position, based on the audited financial statements of Infomina for the FYE 31 May 2022 and the audited financial statements of its subsidiaries for the FYE 31 May 2022, and in a manner consistent with both the format of the financial statements and the accounting policies adopted Infomina and its subsidiaries in the preparation of its audited financial statements for the FYE 31 May 2022 and the adoption of the new accounting policies as described in Note 3.6 to the pro forma combined statement of financial position; and

(b) Each material adjustment made to the information used in the preparation of the pro forma combined statement of financial position is appropriate for the purpose of preparing the pro forma combined statement of financial position.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events and transactions in respect of which the pro forma combined statement of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined statement of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Our opinion*

In our opinion:

(a) the pro forma combined statement of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma combined statement of financial position, based on the audited financial statements of Infomina for the FYE 31 May 2022 and the audited financial statements of its subsidiaries for the FYE 31 May 2022 and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the subsidiaries in the preparation of its audited financial statements for the FYE 31 May 2022, which had been adopted by Infomina as its group's accounting policies and the adoption of the new accounting policies as described in Note 3.6 to the pro forma combined statement of financial position; and

(b) each material adjustment made to the information used in the preparation of the pro forma combined statement of financial position of the Group is appropriate for the purpose of preparing the pro forma combined statement of financial position.

*Other matter*

This report has been prepared for inclusion in the Prospectus in connection with the Listing. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2023 J
Chartered Accountant

**INFOMINA BERHAD AND ITS SUBSIDIARIES**

**PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION**

## 1. INTRODUCTION

The pro forma combined statement of financial position of Infomina Berhad ("Infomina" or the "Company") and its subsidiaries, namely Infomina Services Sdn. Bhd., Infomina Pte. Ltd., Infomina (Thailand) Co., Ltd, Infomina Philippines, Inc., PT Infomina Solution Indonesia and Infomina Limited (hereinafter collectively referred to as the "Group") has been compiled by the directors of Infomina, for illustrative purposes only, for inclusion in the prospectus of Infomina in connection with the listing of and quotation for the entire enlarged issued share capital of Infomina on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

1.1 Infomina is undertaking a listing of and quotation for its entire enlarged issued share capital on the ACE Market of Bursa Securities. The Listing comprises the following:

1.2 **Listing Scheme**

1.2.1 **Internal Group Restructuring**

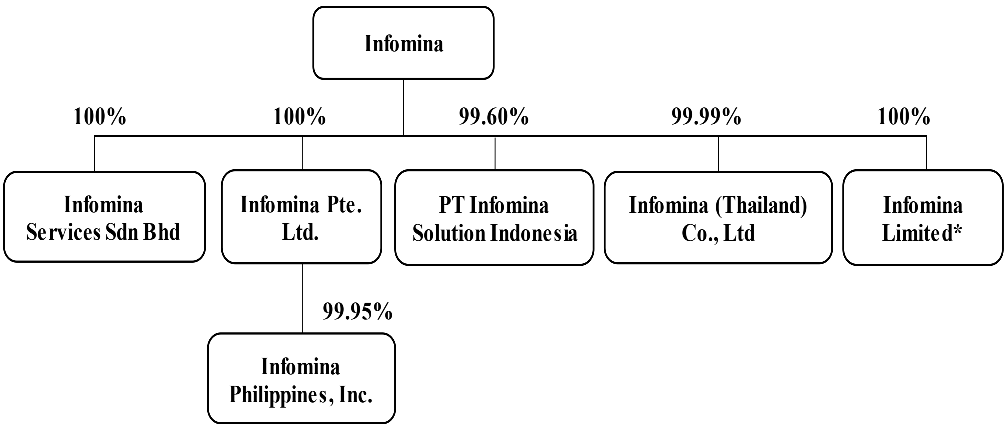
**Dividend in specie**

Upon approval of initial public offering ("IPO"), Infomina Pte. Ltd. will distribute 99.95% equity interest in Infomina Philippines, Inc at a consideration of RM883,800 to Infomina, being the cost of investment as at 31 May 2021, as dividend in specie.

The declaration of dividends did not have an impact on the pro forma combined statement of financial position.

The Group structure before and after the Internal Group Restructuring is illustrated below:

**<u>Before the Internal Group Restructuring</u>**



Registration No. 200701018579 (776590-U)



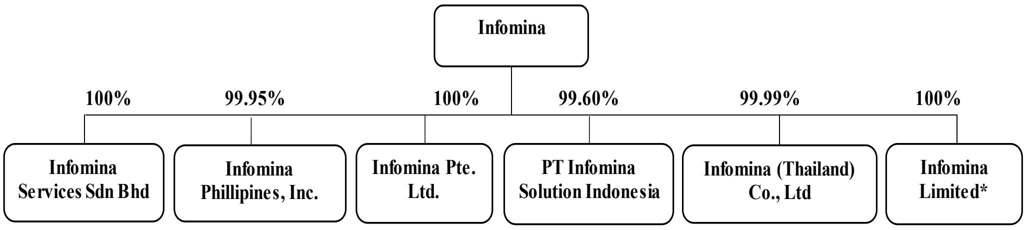
**INFOMINA BERHAD AND ITS SUBSIDIARIES**

1. **INTRODUCTION (CONTINUED)**

1.2 **Listing Scheme (continued)**

1.2.1 **Internal Group Restructuring (continued)**

**After the Internal Group Restructuring**




* *The company was incorporated in Hong Kong on 27 July 2021.*

1.2.2 **Offer for Sale**

Offer for sale of 81,168,800 existing shares in Infomina ("Shares") at an indicative Offer Price of RM0.40 per Share representing 13.50% of the enlarged number of shares of Infomina, to be allotted in the following manner:

(i) 51,106,300 by way of private placement to selected investors; and

(ii) 30,062,500 by way of private placement to Bumiputra investors approved by MITI.

1.2.3 **Public Issue**

The public issue of 81,168,800 new Shares at the IPO price of RM0.40 per Share, representing approximately 13.50% of the enlarged number of shares of Infomina, to be allocated and allotted in the following manner:

(i) 30,062,600 new Shares made available to the Malaysian public;

(ii) 6,012,500 new Shares made available for application by the eligible directors and employees and persons who have contributed to the success of the Group;

(iii) 45,093,700 new Shares made available by way of private placement to identified MITI approved Bumiputera investors.

(Collectively hereinafter referred as "Public Issue").

1.3 **Listing**

Upon completion of the IPO, Infomina's entire enlarged issued share capital of RM43,545,869 comprising 601,250,000 Shares will be listed on the ACE Market of Bursa Securities.

2. **Adjustment for subsequent event ("Subsequent Event")**

**Subdivision of shares**

Upon approval of IPO, Infomina will carry out a subdivision of the entire issued share capital of RM11,075,183 comprising 6,962,960 shares into RM11,075,183 comprising 520,081,200 shares.

The subdivision of shares did not have an impact to the pro forma combined statement of financial position other than an increase in the number of shares of Infomina from 6,962,960 to 520,081,200.

The subdivision of shares was completed on 6 October 2022.

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(LLP0019411-LCA)
AF 0117
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## 3. BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION

3.1 The pro forma combined statement of financial position has been prepared to illustrate the pro forma combined financial position of the Group as at 31 May 2022, adjusted for the Subsequent Event as described in Note 2, the Internal Group Restructuring, the Offer for Sale, Public Issue and the utilisation of proceeds as described in Notes 1.2.1,1.2.2, 1.2.3 and 4.2.1, respectively.

3.2 The pro forma combined statement of financial position has been prepared based on the following audited financial statements for the financial year ended ("FYE") 31 May 2022 of the subsidiaries:

| Company Name | FYE |
|---|---|
| Infomina Berhad | 31 May 2022 |
| Infomina Services Sdn. Bhd. | 31 May 2022 |
| Infomina Pte. Ltd. | 31 May 2022 |
| Infomina (Thailand) Co., Ltd | 31 May 2022 |
| Infomina Philippines, Inc. | 31 May 2022 |
| PT Infomina Solution Indonesia | 31 May 2022 |
| Infomina Limited | 31 May 2022 |

3.3 The audited financial statements of Infomina and each of its subsidiaries for the financial year under review were reported by the auditors to their respective members without any modifications.

3.4 The pro forma combined statement of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.



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**3. BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

3.5 The pro forma combined statement of financial position of the Group has been properly prepared on the basis set out in the accompanying notes to the pro forma combined statement of financial position based on the audited financial statements of Infomina for FYE 31 May 2022 and audited financial statements of each of the subsidiaries for FYE 31 May 2022, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

3.6 The pro forma combined statement of financial position of the Group have been prepared in a manner consistent with both the format of the audited financial statements and accounting policies adopted by the subsidiaries in the preparation of its audited financial statements for the FYE 31 May 2022 and the adoption of the following new accounting policies, which had been adopted by the Group as the group's accounting policies.

**Merger accounting**

The subsidiaries are accounted for using the merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Subsidiaries acquired which have met the criteria for pooling-of-interests are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the business combination 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. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

Acquisition of entities under common control does not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entities and is accounted for as follows:

- the assets and liabilities of the acquired entities are recognised and measured in the combined financial statements at the pre-combination carrying amounts;
- the retained earnings and other equity balances of acquired entities immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Group and the difference arising from the change in equity structure of the Group will be accounted for in reorganisation reserve.

3.7 In connection with the Listing, the pro forma combined statement of financial position has been presented before the Public Issue as described in Note 1.2.3.



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## 4. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF THE GROUP

4.1 The pro forma combined statement of financial position of the Group as set out below, for which the directors of Infomina are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited combined statement of financial position of the Group as at 31 May 2022, had the Subsequent Event as described in Note 2, the Internal Group Restructuring as described in Note 1.2.1, the Offer for Sale as described in 1.2.2, the Public Issue as described in Note 1.2.3 and the utilisation of proceeds as described in Note 4.2.1 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

| | **Pro Forma** | | **Pro Forma I** | **Pro Forma II** |
|---|---|---|---|---|
| | **Combined Statement of Financial Position as at 31 May 2022 RM'000** | **Adjusted for Subsequent Event RM'000** | **After the Public Issue and Offer For Sale RM'000** | **After Pro Forma I and the Utilisation of Proceeds RM'000** |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 5,397 | 5,397 | 5,397 | 5,397 |
| Deferred tax assets | 5,231 | 5,231 | 5,231 | 5,231 |
| Other receivables | 874 | 874 | 874 | 874 |
| **Total non-current assets** | 11,502 | 11,502 | 11,502 | 11,502 |
| **Current assets** | | | | |
| Current tax assets | 151 | 151 | 151 | 151 |
| Trade and other receivables | 86,046 | 86,046 | 86,046 | 86,046 |
| Contract assets | - | - | - | - |
| Cash and short-term deposits | 70,934 | 70,934 | 103,402 | 101,260 |
| **Total current assets** | 157,131 | 157,131 | 189,599 | 187,457 |
| **TOTAL ASSETS** | 168,633 | 168,633 | 201,101 | 198,959 |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity attributable to owners of the Company** | | | | |
| Share capital | 11,075 | 11,075 | 43,543 | 42,328 |
| Irredeemable preference shares | 65 | 65 | 65 | 65 |
| Retained earnings | 34,921 | 34,921 | 34,921 | 33,994 |
| Reorganisation reserve | (5,700) | (5,700) | (5,700) | (5,700) |
| Other reserves | 92 | 92 | 92 | 92 |
| | 40,453 | 40,453 | 72,921 | 70,779 |
| Non-controlling interests | 7 | 7 | 7 | 7 |
| **TOTAL EQUITY** | 40,460 | 40,460 | 72,928 | 70,786 |

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**INFOMINA BERHAD AND ITS SUBSIDIARIES**

## 4. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.1 (Continued)

| | Pro Forma | | Pro Forma I | Pro Forma II |
|---|---|---|---|---|
| | Combined Statement of Financial Position as at 31 May 2022 RM'000 | Adjusted for Subsequent Event RM'000 | After the Public Issue and Offer For Sale RM'000 | After Pro Forma I and the Utilisation of Proceeds RM'000 |
| **Non-current liabilities** | | | | |
| Loans and borrowings | 2,213 | 2,213 | 2,213 | 2,213 |
| Deferred tax liabilities | 3,068 | 3,068 | 3,068 | 3,068 |
| **Total non-current liabilities** | 5,281 | 5,281 | 5,281 | 5,281 |
| **Current liabilities** | | | | |
| Loans and borrowings | 829 | 829 | 829 | 829 |
| Current tax liabilities | 2,213 | 2,213 | 2,213 | 2,213 |
| Trade and other payables | 59,066 | 59,066 | 59,066 | 59,066 |
| Contract liabilities | 60,784 | 60,784 | 60,784 | 60,784 |
| **Total current liabilities** | 122,892 | 122,892 | 122,892 | 122,892 |
| **TOTAL LIABILITIES** | 128,173 | 128,173 | 128,173 | 128,173 |
| **TOTAL EQUITY AND LIABILITIES** | 168,633 | 168,633 | 201,101 | 198,959 |
| Number of ordinary shares assumed to be in issue ('000) | 6,963 | 520,081 | 601,250 | 601,250 |

| | | | | |
|---|---|---|---|---|
| Net Assets ("NA")^ (RM'000) | 40,460 | 40,460 | 72,928 | 70,786 |
| NA per ordinary share (RM) | 5.81 | 0.08 | 0.12 | 0.12 |

^ attributable to owners of Infomina

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## 4. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 Notes to the pro forma combined statement of financial position are as follows:

4.2.1 The proceeds from the Public Issue would be utilised in the following manner:

| **Purposes** | **RM'000** | **%** | **Estimated time frame for use (from the listing date)** |
|---|---|---|---|
| Strengthen research and development to expand technological application and development solutions [(1)] | 7,602 | 23.41% | Within 24 months |
| Intensify regional expansion to capture growth opportunities [(1)] | 5,525 | 17.02% | Within 18 months |
| Branding, marketing and promotional activities [(1)] | 886 | 2.73% | Within 18 months |
| Working capital | 13,955 | 42.98% | Within 12 months |
| Estimated listing expenses | 4,500 | 13.86% | Within 1 month |
| | 32,468 | 100.00% | |

*(1) As at latest practicable date, the Group has yet to enter into any agreement in relation to the proceeds earmarked for the research and development for the expansion of technological application and development solutions, regional expansions to capture growth opportunities and branding and marketing and promotional activities. Accordingly, the utilisation of proceeds earmarked for the aforementioned purposes are not reflected in the pro forma combined statement of financial position.*



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## 4. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

4.2 (Continued)

4.2.2 The pro forma combined statement of financial position should be read in conjunction with the notes below:

(a) **Pro Forma I**

Pro Forma I incorporates the effects of the Offer for Sale as described in Note 1.2.2 and the Public Issue as described in Note 1.2.3.

The Offer for Sale had no impact on the pro forma combined statement of financial position of Infomina as at 31 May 2022.

The Public Issue had the following impact on the pro forma combined statement of financial position of Infomina as at 31 May 2022:

| | **Increase** | |
|---|---|---|
| | **Effects on Total Assets RM'000** | **Effects on Equity RM'000** |
| Cash and short-term balances | 32,468 | - |
| Share capital | - | 32,468 |
| | 32,468 | 32,468 |

(b) **Pro Forma II**

Pro Forma II incorporates the cumulative effects of Pro Forma I and the utilisation of proceeds from the Public Issue.

The proceeds arising from the Public Issue earmarked for the research and development for the expansion of technological application and development solutions, regional expansions to capture growth opportunities and branding, marketing and promotional activities will be included in the Cash and Short-Term Deposits Account.

From the total estimated listing expenses of RM4.50 million, a total of RM1.22 million is assumed to be directly attributable to the issuance of new shares and therefore will be set off against the Share Capital Account. The remaining expenses of RM3.28 million are assumed to be attributable to the listing exercise and therefore will be recognised in the Retained Earnings Account. From the RM3.28 million to be recognised in the retained earnings of which RM2.36 million has been incurred by the Group and charged to the Retained Earnings as at 31 May 2022.

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**4. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

4.2 (Continued)

4.2.2 (Continued)

(b) **Pro Forma II (continued)**

The utilisation of proceeds will have the following impact on the pro forma combined statement of financial position of the Group as at 31 May 2022:

| | Decrease | |
|---|---|---|
| | **Effects on Total Assets** | **Effects on Equity & Total Liabilities** |
| | **RM'000** | **RM'000** |
| Cash and short-term balances | (2,142) | - |
| Share capital | - | (1,215) |
| Retained earnings | - | (927) |
| | (2,142) | (2,142) |

4.2.3 Movements in share capital and reserves are as follows:

| | Share capital RM'000 | Irredeemable preference shares RM'000 | Retained earnings RM'000 | Reorganisation reserve RM'000 | Other reserves RM'000 | Non-controlling interests RM'000 |
|---|---|---|---|---|---|---|
| Combined statement of financial position of Infomina Group as at 31 May 2022 | 11,075 | 65 | 34,921 | (5,700) | 92 | 7 |
| Arising from Subsequent Event | - | - | - | - | - | - |
| Adjusted for Subsequent Event | 11,075 | 65 | 34,921 | (5,700) | 92 | 7 |
| Arising from the Public Issue and Offer for Sale | 32,468 | - | - | - | - | - |
| As per Pro Forma I | 43,543 | 65 | 34,921 | (5,700) | 92 | 7 |
| Arising from the defrayment of estimated listing expenses in relation to the Listing | (1,215) | - | (927) | - | - | - |
| As per Pro Forma II | 42,328 | 65 | 33,994 | (5,700) | 92 | 7 |

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**4. PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

4.2 (Continued)

4.2.4 Movements in cash and short-term deposits are as follows:

| | **RM'000** |
|---|---|
| Combined statement of financial position of the Group as at 31 May 2022 | 70,934 |
| Arising from Subsequent Event | - |
| Adjusted for Subsequent Event | 70,934 |
| Arising from the Public Issue and Offer for Sale | 32,468 |
| As per Pro Forma I | 103,402 |
| Arising from defrayment of estimated listing expenses in relation to the Listing | (2,142) |
| As per Pro Forma II * | 101,260 |

* *Included in the cash and short-term deposits is an amount of RM13.95 million, RM7.6 million, RM5.5 million and RM0.9 million arising from the Public Issue earmarked for working capital, strengthening research and development, intensifying regional expansion and branding, marketing and promotional activities purposes respectively.*

**INFOMINA BERHAD AND ITS SUBSIDIARIES**

**APPROVAL BY BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of Infomina Berhad in accordance with a resolution dated 14 October 2022

| | |
|---|---|
| ............................................. | ............................................. |
| **Yee Chee Meng** | **Nasimah Binti Mohd Zain** |
| **Director** | **Director** |

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## 15. STATUTORY AND OTHER INFORMATION

### 15.1 SHARE CAPITAL

(a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.

(b) Save for the Pink Form Allocations as disclosed in Section 4.3.2,

(i) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiary; and

(ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiary.

(c) Save for the new Shares issued as disclosed in Sections 6.2.1, 6.2.2, 6.2.3(c) and to be issued for the Public Issue as disclosed in Section 4.3.1, no shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.

(d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.

(e) As at the date of this Prospectus, our Company does not have any outstanding convertible debt securities.

### 15.2 SHARE CAPITAL OF OUR SUBSIDIARIES

Details of our share capital are set out in Section 6.1. Details of the share capital of our subsidiaries are set out below.

#### 15.2.1 Infomina HK

Infomina HK's issued share capital as at LPD is HKD10,000 comprising 10,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

| Date of allotment | No. of shares allotted | Consideration / Type of issue | Cumulative share capital |
|---|---|---|---|
| | | | HKD |
| 27 July 2021 | 10,000 | HKD10,000 / Cash | 10,000 |

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Infomina HK. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

#### 15.2.2 Infomina ID

Infomina ID's issued share capital as at LPD is IDR2,500,000,000 comprising 250 ordinary shares. The movements in its issued share capital since incorporation are as follows:

| Date of allotment | No. of shares allotted | Consideration / Type of issue | Cumulative share capital |
|---|---|---|---|
| | | | IDR |
| 28 July 2020 | 250 | IDR2,500,000,000 / Cash | 2,500,000,000 |

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Infomina ID. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

### 15.2.3 Infomina PH

Infomina PH's issued share capital as at LPD is PHP10,200,000 comprising 10,200 ordinary shares. The movements in its issued share capital since incorporation are as follows:

| Date of allotment | No. of shares allotted | Consideration / Type of issue | Cumulative share capital |
|---|---|---|---|
| | | | PHP |
| 10 February 2020 | 10,200 | PHP10,200,000 / Cash | 10,200,000 |

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Infomina PH. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

### 15.2.4 ISSB

ISSB's issued share capital as at LPD is RM300,000 comprising 300,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

| Date of allotment | No. of shares allotted | Consideration / Type of issue | Cumulative share capital |
|---|---|---|---|
| | | | RM |
| 24 November 2015 | 2 | RM2 / Subscriber's shares | 2 |
| 24 March 2016 | 299,998 | RM299,998 / Cash | 300,000 |

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in ISSB. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

### 15.2.5 Infomina SG

Infomina SG's issued share capital as at LPD is SGD100 comprising 100 ordinary shares. The movements in its issued share capital since incorporation are as follows:

| Date of allotment | No. of shares allotted | Consideration / Type of issue | Cumulative share capital |
|---|---|---|---|
| | | | SGD |
| 18 September 2019 | 100 | SGD100 / Cash | 100 |

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Infomina SG. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

### 15.2.6 Infomina TH

Infomina TH's issued share capital as at LPD is THB4,100,000 comprising 20,000 ordinary shares and 21,000 preference shares, held by Arusa Rattanaphisit who is a local staff member. The movements in its issued share capital since incorporation are as follows:

| Date of allotment | No. of shares allotted | Consideration / Type of issue | Cumulative share capital |
|---|---|---|---|
| | | | THB |
| 25 October 2019 | 20,000 | THB500,000 / Cash | 2,000,000 |

| Date of allotment | No. of preference shares allotted | Consideration / Type of issue | Cumulative share capital |
|---|---|---|---|
| | | | THB |
| 22 December 2021 | 21,000 | THB525,000 / Cash | 2,100,000 |

As at LPD, save for the 20,000 ordinary shares and 21,000 preference shares which have been partly paid up to THB500,000 and THB525,000 respectively, there are no outstanding warrants, options, convertible securities or uncalled capital in Infomina TH. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

## 15.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used herein unless they are otherwise defined herein or the context otherwise requires.

### 15.3.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

**Clause 7 – Classes of shares**

*(3) Rights of preference shareholders*

Subject to the Act, any applicable laws and any other requirements of Bursa Securities and the SC, any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are liable, or at the option of the Company are liable to be redeemed and the Company shall not issue preference shares ranking in priority over preference shares already issued but may issue preference shares ranking equally therewith.

(a) A holder of preference shares must have a right to vote in each of the following circumstances:

   (i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;

   (ii) on a proposal to reduce the Company's share capital;

(iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

(iv) on a proposal that affects the rights attached to the preference shares;

(v) on a proposal to wind up the Company; and

(vi) during the winding up of the Company.

(b) A holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited financial statements and attending meetings.

*(4) Repayment of preference capital*

Notwithstanding Clause 3 hereof, the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a special resolution of the preference shareholders concerned provided always that where the necessary majority for such a resolution is not obtained at the meeting of the preference shareholders concerned, consent in writing representing not less than seventy-five percent (75%) of the total voting rights of the holders of the preference shares obtained within two (2) months of the meeting shall be valid and effectual as a special resolution carried at the meeting.

**Clause 8 – Variation of rights**

*(1) Variation of rights*

If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

*(3) Variation of rights of existing preference shares*

The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

**Clause 12 – Issue of securities**

*(1) Allotment of shares or grant of rights*

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

(a) issue and allot shares in the Company; and

(b) grant rights to subscribe for shares or options over unissued shares in the Company.

*(3) Issue of new shares or securities to Members*

(a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

*(4) General mandate for issue of securities*

Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.

**Clause 46 – Alteration of capital**

*(3) Purchase of own shares*

The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

### 15.3.2 Borrowing and voting powers of the Directors

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:

**Clause 95 – Powers of Directors**

Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

*Borrowing*

(1) borrow money;

*Mortgage*

(2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

*Issue debentures*

(3) issue debentures and other Securities whether outright or as security; and/or

*Lend or advance money*

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.

**Clause 97 – Powers of Directors**

*Power of attorney*

(1) The Directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for the purposes and with the powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for a period and subject to any conditions as the Directors may think fit.

(2) Any powers of attorney granted under Clause 97(1) may contain provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in the attorney.

**Clause 105 – Directors' interest in contracts**

*Directors' interest in contracts*

(a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.

(b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

**Clause 107 - Passing of resolution by the Directors**

*(1) Passing of resolution by more than one Director*

The Directors may pass a resolution without a Board Meeting, if a majority of the Directors entitled to vote and sign on the resolution signed the resolution, signifying their agreement to the resolution set out in the document.

**Clause 118 – Voting at board meetings**

*(1) Directors' decision*

Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

*(2) Casting of vote*

Each Director is entitled to cast one (1) vote on each matter for determination.

### 15.3.3 Remuneration of Directors

The provisions in our Constitution dealing with remuneration of Directors are as follows:

**Clause 93 – Remuneration of Directors**

*(1) Non-executive Directors' remuneration*

The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

*(2) Fee*

Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

*(3) Fee of non-executive Directors*

If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

*(4) Expenses*

The following expenses shall be determined by the Director:

(a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

*(5) Executive Directors' remuneration*

Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

### 15.3.4 Transfer of Shares

The provisions in our Constitution dealing with transfer of Shares are as follows:

**Clause 14 – Transfer of securities**

*Transfer of securities*

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

**Clause 17 – Transfer of Shares or debentures**

*(1) Instrument of transfer*

Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.

*(2) Execution of instrument of transfer*

The instrument of transfer must be executed by or on behalf of the transferor and the transferee.

*(3) Effect the transfer of shares or debentures*

The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively.

## 15.4 POLICIES ON FOREIGN INVESTMENTS, TAXATION AND FOREIGN EXCHANGE CONTROLS

The relevant policies on foreign investments, taxation and foreign exchange controls in Singapore, Thailand, Indonesia, the Philippines and Hong Kong in relation to the distribution of dividends, repatriation of capital and remittance of profits by or to our Group are set out below.

### 15.4.1 Singapore

#### (a) Exchange controls

Subject to Infomina SG adhering to the applicable provisions of the Companies Act 1967 of Singapore ("**Singapore Companies Act**"), there are no significant restrictions on the remittance of profits, dividend and the return of capital by Infomina SG to Infomina. Under the laws of Singapore, Infomina SG may repatriate capital and/or remit profits to Infomina by way of:

(i) share buy-backs;

(ii) capital reduction;

(iii) distribution of assets on a winding-up; and

(iv) declaration of dividends.

#### (b) Dividend distribution

Subject to the Singapore Companies Act, the constitution of Infomina SG, and the payment of applicable taxes under the laws of Singapore:

(i) dividends may be paid only out of profits available for distribution. The constitution of Infomina SG provides for the declaration of dividends upon Infomina's approval by ordinary resolution in a general meeting, but any dividend declared must not exceed the amount recommended by the directors of Infomina SG. There are no restrictions on payment of dividends to Infomina provided there is no breach of any rule for internal monitoring for countering money laundering and terrorism;

(ii) the directors of Infomina SG may from time to time pay to Infomina such interim dividends as appear to the directors to be justified by the profits of Infomina SG; and

(iii) capital may not be returned to Infomina unless a capital reduction exercise is carried out.

**(c) Withholding tax**

Dividends received in respect of the ordinary shares of Infomina SG by either Singapore tax resident or non-Singapore tax resident taxpayers are not subject to Singapore withholding tax, even if paid to non-Singapore resident shareholders.

Currently, subject to certain transitional rules, Singapore has adopted the "One-Tier" Corporate Tax System ("**One-Tier System**"). Under this One-Tier System, the tax collected from corporate profits is the final tax and Infomina SG can pay tax exempt (1-tier) dividends which are tax exempt in the hands of Infomina, regardless of the tax residence status or the legal form of Infomina.

**15.4.2 Thailand**

**(a) Exchange controls**

Under the laws of Thailand, Infomina TH may repatriate capital and/or remit profits to Infomina, by way of:

(i) capital reduction where Infomina TH may reduce its capital by reducing the par value of each share or by reducing the number of its shares by way of a special resolution passed at a shareholders' meeting. However, the capital of Infomina TH cannot be reduced to below 25% of its total capital per time;

(ii) distribution of dividend where dividends distributed by Infomina TH must be made from its profits in proportion to its paid-up share capital of each share by way of resolution of either a board of directors' meeting or a shareholders' meeting (as detailed in Section 15.4.2(b)). According to the Articles of Association of Infomina TH ("**Infomina TH AOA**"), the preference shareholder is entitled to receive the dividend at 5% of par value held by each preference shareholder. The outstanding dividend after allocation to preference shareholder(s) shall be payable to ordinary shareholders based on their shareholding proportion; and

(iii) distribution of capital or benefits pursuant to a winding-up procedure where the remaining capital of Infomina TH can be returned to its shareholders, including Infomina, based on their shareholding proportion upon its liquidation but only if Infomina TH has sufficient assets or funds to pay all its debts or perform all its obligations. According to the Infomina TH AOA, the preference shareholder(s) shall receive the capital return before the ordinary shareholders.

In addition, under the Thailand Foreign Exchange Regulation, dividends or proceeds from sales (including capital gains from the transfer of shares), or capital reduction after payment of the applicable Thai taxes, if any, can be remitted out of Thailand in foreign currencies without any requirement for prior approval from the Bank of Thailand. However, if the amount is USD200,000 or more in the relevant currency, a request form must be submitted to an authorised agent (commercial bank) together with relevant supporting documents to support the remittance.

## 15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

### (b) Dividend distribution

Any declaration of dividends must be approved by a resolution passed at an annual general meeting or an extraordinary general meeting of the shareholders of Infomina TH. An interim dividend payment can be declared from time to time if the board of directors of Infomina TH resolves that it has profits justified to be distributed to its shareholders, including Infomina, in proportion to their shareholding proportion. According to the Infomina TH AOA, the preference shareholder is entitled to receive dividend at 5% of par value held by each preference shareholder. The outstanding dividend after allocation to preference shareholder(s) shall be payable to ordinary shareholders based on their shareholding proportion.

When distributing dividends, Infomina TH must reserve funds of at least 5% of its profits until its reserve funds reaches 10% of its registered capital.

### (c) Withholding tax

Any capital reduction amount of Infomina TH payable to Infomina is a taxable / assessable income of Infomina but only for the amount not exceeding the total amount of the profits and the reserve funds of Infomina TH and it is subject to the withholding tax at the rate of 15%. The capital reduction amount that exceeds the total amount of the profits and the reserve funds of Infomina TH is not a taxable / assessable income.

The dividend of Infomina TH payable to Infomina is a taxable / assessable income and it is subject to withholding tax at the rate of 10%.

When Infomina TH repatriates funds to Infomina, Infomina TH is required to withhold applicable withholding taxes mentioned above from the funds payable and remit the taxes withheld to the Thai Revenue Department.

Subject to the prevailing Double Tax Agreements, the applicable withholding taxes from Infomina TH to Infomina may be reduced from the rates set out above.

### 15.4.3 Indonesia

### (a) Exchange controls

Indonesian Investment Law No. 25 of 2007 as amended by Law No. 11 of 2020 ("**Capital Investment Law"**) only permits foreign direct investment in Indonesia by establishing an Indonesian limited liability company.

Under the Capital Investment Law, Infomina ID may repatriate capital to Infomina in the form of:

(i) capital;

(ii) profits, bank interest, dividends, and other income;

(iii) funds required to:

- (aa) purchasing raw and auxiliary materials, half-finished goods or finished goods; or

- (bb) replacing capital goods to protect the viability of the investment;

(iv) additional funds required for investment financing; e. funds for repayment of loans;

(v) royalties or fees payable;

(vi) income of individual foreign citizens working in the investment company;

(vii) proceeds from the sales or liquidation of an investment;

(viii) compensation for losses;

(ix) compensation for acquisitions;

(x) payments made in connection with technical assistance, fees payable for technical and management services, payments made under the project contract, and payment of intellectual property rights; and

(xi) proceeds of sales of assets.

There are no foreign exchange controls in Indonesia save for the physical inflow or outflow of IDR into and out of the country. For the purposes of repatriation or transfer of money by Infomina ID to Infomina, the IDR can be converted into any currency.

The laws of Indonesia specifically provide that these repatriation rights do not prejudice the government's rights to require reports on the implementation of repatriation activities and compliance with related taxation/royalties regulations. In addition, the repatriation rights do not prejudice the implementation of any law that gives protection to creditors' rights or laws to avoid losses to the government.

**(b) Dividend distribution**

As the shareholders of Infomina ID are Infomina, a Malaysian entity, and Yee Chee Meng, a Malaysian individual, the applicable tax for the dividend distribution of Infomina ID is subject to the prevailing Double Tax Agreement between Indonesia and Malaysia. Such dividends paid by Infomina ID to Infomina may be taxed in Indonesia at a rate not exceeding 15% of the gross amount of the dividends.

**(c) Withholding tax**

Dividend payments will be subject to a withholding tax according to the prevailing Double Tax Agreement between Indonesia and Malaysia. Infomina ID has the obligation to withhold the tax of dividends distribution and pay to the tax authority.

**15.4.4 Philippines**

**(a) Exchange controls**

Subject to the Republic Act No. 265, dividend and profit remittances as well as capital repatriation are generally not regulated in the Philippines. Among the rights recognised by the Philippine government is the right to remit earnings from investment, in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance.

Foreign investments registered with the Bangko Sentral ng Pilipinas ("**BSP**") may repatriate capital and remit dividends, profit and earnings, using foreign exchange sourced from the domestic banking system. If the foreign investment is not registered with the BSP, remittances using foreign exchange may only be sourced outside the domestic banking system.

**(b) Dividend distribution**

Under the laws of the Philippines, dividends may only be declared out of the unrestricted retained earnings of Infomina PH, which may be paid by cash, property or in stock to all stockholders, including Infomina, on the basis of the outstanding stock held by them.

Board approval is required for the declaration of cash dividends. Any cash dividends due on delinquent stock shall first be applied to the unpaid balance on the subscription price plus costs and expenses. Declaration of stock dividends also require the approval of at least two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose. Further, stock dividends shall be withheld from the delinquent stockholders until their unpaid subscription is fully paid.

Infomina PH is prohibited from retaining surplus profits in excess of 100% of its paid-in capital stock, except:

(i) when justified by definite corporate expansion projects or programs approved by the board of directors;

(ii) when Infomina PH is prohibited under any loan agreement with financial institutions or creditors, whether local or foreign, from declaring dividends without their consent, and such consent has not yet been secured; or

(iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in Infomina PH, such as when there is need for special reserve for probable contingencies.

**(c) Withholding tax**

Dividends received by Infomina from Infomina PH is subject to income tax at a final withholding tax rate of 25%. The prevailing Double Tax Agreement between Malaysia and the Philippines currently provides that the dividends payable to Infomina will be subject to a preferential tax rate of 25% of the gross amount of the dividends.

**15.4.5 Hong Kong**

**(a) Exchange controls**

There are currently no foreign exchange controls in Hong Kong. Hence, there is limited restriction on the repatriation of profits, whether in the form of dividends or interest, or capital (meaning funds in general) by Infomina HK to Infomina. In general, repatriation of profits is entirely dependent on the ability of Infomina HK to pay dividends to Infomina.

In 2002, the Hong Kong Legislative Council approved anti-money laundering and enacted a new anti-terrorism law allowing Secretary for Security to freeze funds and financial assets reasonably believed to belong to terrorist, as required by Security Council of United Nations in its Resolutions 1373. On 10 September 2002, following passage of the new laws, the Hong Kong Monetary Authority issued a circular to banks and ordered banks to submit reports outlining the approach they had adopted in the fight against terrorist financing. On 1 April 2012, Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) came into operation to enhance the anti-money laundering regulatory regime.

**(b) Dividend distribution**

Infomina HK can only declare dividend from its distributable profits (that is, accumulated realised profits less its accumulated realised losses). Dividends cannot be paid:

(i) out of Infomina HK's share capital; and
(ii) in advance of the generation of distributable profits.

Dividends must be paid in accordance with the procedures or requirements specified in Infomina HK's articles.

**(c) Withholding tax**

Dividends paid by Infomina HK are not subject to profits tax in Hong Kong nor is any tax required to be withheld from it.

## 15.5 GENERAL INFORMATION

(a) Save for the remuneration paid as disclosed in Sections 5.2.4 and 5.3.5 respectively, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.

(b) Save as disclosed in Section 10.1, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

(c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.

(d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

## 15.6 CONSENTS

(a) The written consents of our Adviser, Sponsor, Underwriter, Placement Agent, Financial Adviser, Solicitors, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;

(b) The written consents of our Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma combined financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and

(c) The written consent of our IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

## 15.7 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(a) Constitution;

(b) Audited financial statements of Infomina, Infomina ID, Infomina HK, Infomina PH, ISSB, Infomina SG and Infomina TH for FYE 2019 to 2022, where applicable;

(c) Accountants' Report as set out in Section 13;

(d) Reporting Accountants' Report relating to our pro forma combined financial information as set out in Section 14;

(e) IMR Report as set out in Section 8;

(f) Material contracts as set out in Section 6.5; and

(g) Letters of consent as set out in Section 15.5.

## 15.8 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M & A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

## 16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

**THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.**

**Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.**

**Unless the context otherwise requires, words used in the singular include the plural, and vice versa.**

### 16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 1 NOVEMBER 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 11 NOVEMBER 2022

In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

**Late Applications will not be accepted.**

### 16.2 METHODS OF APPLICATIONS

#### 16.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

| Types of Application and category of investors | | Application Method |
|---|---|---|
| Applications by our eligible Directors and employees of our Group | | Pink Application Form only |
| Applications by the Malaysian Public: | | |
| (a) | Individuals | White Application Form or Electronic Share Application or Internet Share Application |
| (b) | Non-Individuals | White Application Form only |

### 16.2.2 Placement

| **Types of Application** | **Application Method** |
|---|---|
| Applications by selected investors | The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions. |
| Applications by Bumiputera investors approved by MITI | MITI will contact the Bumiputera investors directly. They should follow MITI's instructions. |

Selected investors and Bumiputera Investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

## 16.3 ELIGIBILITY

### 16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. **The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Application**.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE SHARES.**

**MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.**

**AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.**

### 16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(a) You must be one of the following:

(i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(ii) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(c) You must submit Applications by using only one of the following methods:

(i) White Application Form; or

(ii) Electronic Share Application; or

(iii) Internet Share Application.

### 16.3.3 Application by eligible Directors and employees of our Group

The eligible Directors and employees of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

## 16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.40 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 728"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on 11 November 2022 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

## 16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

## 16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

## 16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(a) reject Applications which:

(i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(ii) are illegible, incomplete or inaccurate; or

(iii) are accompanied by an improperly drawn up or improper form of remittance; or

(b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(c) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

## 16.8 OVER / UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House, will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at https://tiih.online within 1 market day after the balloting date.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

## 16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

### 16.9.1 For applications by way of Application Forms

(a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).

(d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

### 16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(b) You may check your account on the 5$^{th}$ Market Day from the balloting date.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

## 16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(a) Our IPO Shares allotted to you will be credited into your CDS Account.

(b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

## 16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

| Mode of application | Parties to direct the enquiries |
|---|---|
| Application Form | Issuing House Enquiry Services at telephone no. 03-2783 9299 |
| Electronic Share Application | Participating Financial Institution |
| Internet Share Application | Internet Participating Financial Institution and Authorised Financial Institution |

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at https://tiih.online, **one Market Day** after the balloting date.

## 16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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