ANNUAL REPORT 2021

ADVANCE SYNERGY BERHAD

Front cover photo:
The entrance to a waiting lounge
at Yap Ah Shak

Contents

STRATEGIC REPORT

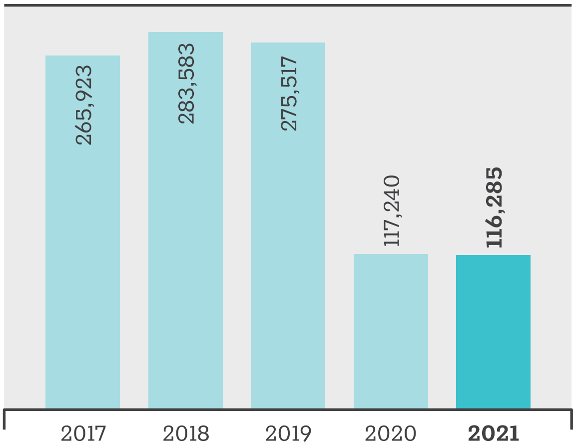
Contents

Five-Year Group Financial Highlights

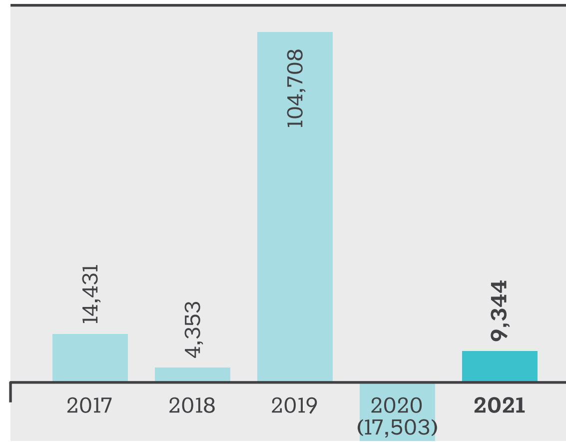
	Year ended 31 December				
	2017 RM'000	**2018 RM'000**	**2019 RM'000**	**2020 RM'000**	**2021 RM'000**
				(Restated)	
Statements of Comprehensive Income					
Revenue	265,923	283,583	275,517	117,240	**116,285**
Gross Profit	89,832	83,879	86,330	44,946	**45,321**
Gross Profit Margin (%)	33.8	29.6	31.3	38.3	**39.0**
EBITDA	21,841	13,640	121,771	(710)	**24,718**
Profit/(Loss) before tax	8,360	347	95,614	(22,536)	**2,077**
Profit/(Loss) after tax	3,751	(1,142)	81,329	(26,894)	**(1,409)**
Statements of Financial Position					
Total assets	699,971	725,347	753,036	710,449	**773,336**
Total liabilities	203,902	238,456	202,268	187,465	**236,150**
Shareholders' funds	432,856	422,186	481,696	452,718	**453,349**
Share Information					
Per Ordinary Share					
Earnings/(Loss) per share, basic (sen)	(0.10)	(0.54)	8.07	(3.30)	**(1.21)**
Net assets per share (sen)	63.86	45.44	51.84	48.72	**48.79**
Financial Ratios					
Return on equity (%)	0.76	(0.23)	14.77	(5.14)	**(0.26)**
Current ratio	2.6 : 1	2.0 : 1	3.1 : 1	2.9 : 1	**2.3 : 1**
Debt-Equity ratio (Note 1)	0.20 : 1	0.30 : 1	0.09 : 1	0.11 : 1	**0.20 : 1**

Note 1 : Debt comprises current and non-current borrowings.

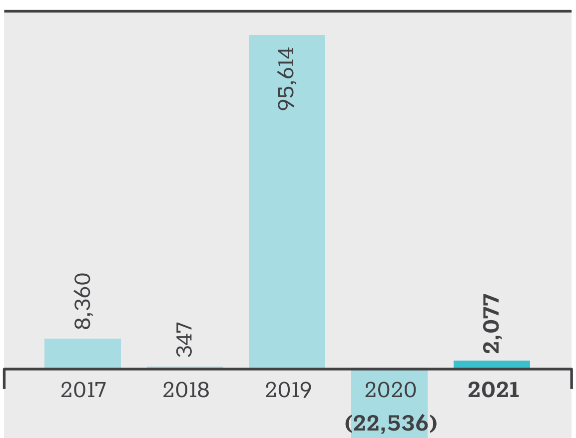
REVENUE
(RM'000)



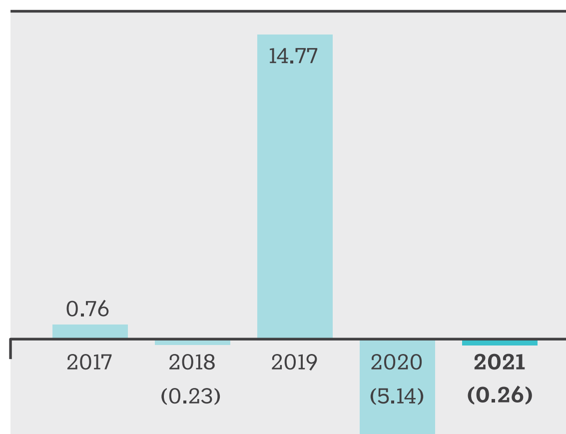
OPERATING PROFIT/(LOSS)
(RM'000)



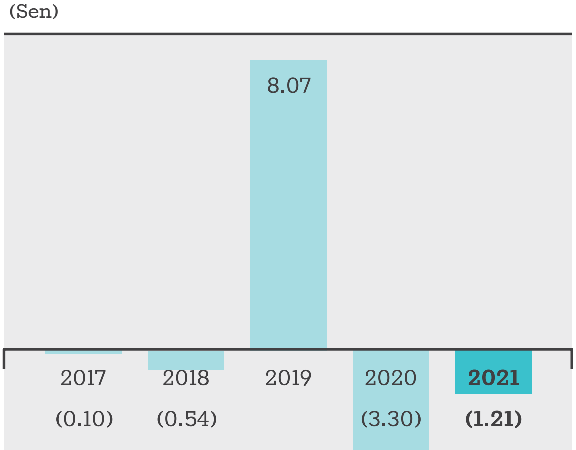
PROFIT/(LOSS) BEFORE TAX
(RM'000)



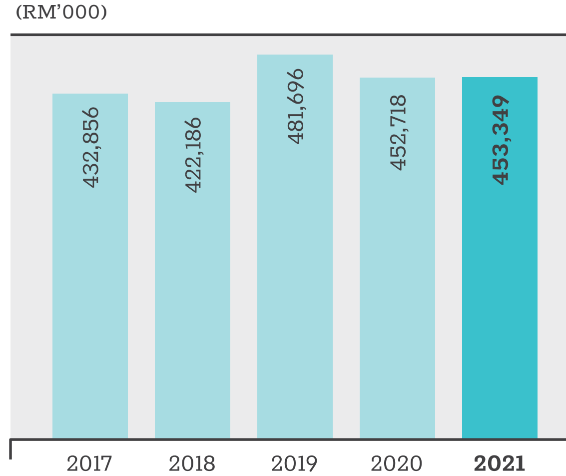
RETURN ON EQUITY
(%)



EARNINGS/(LOSS) PER SHARE
(Sen)



SHAREHOLDERS' FUNDS
(RM'000)



Chair's Statement

Dear Shareholders

2021 continued to be a difficult year for the Group. Due to the prolonged COVID-19 pandemic, our Group's financial performance in fiscal 2021 remained significantly impacted. However, I am pleased to report that our management team across the Group has responded well to the pandemic in protecting our employees, businesses and investments.

Although Group revenue declined marginally to RM116.3 million, a 0.8% decrease on the RM117.2 million achieved in fiscal 2020, the Group recorded a profit before tax of RM2.1 million in fiscal 2021 against the loss before tax of RM22.5 million in fiscal 2020. Higher other operating income for fiscal 2021 compared to fiscal 2020 was the most significant contributor to our results, as the Group performed well in its investment activities giving rise to fair value gains on our venture investment portfolio coupled with the gain on disposal of the hotel management services contracts. Our Group investment portfolio generated a substantial fair value gain in fiscal 2021 including the fair value gain on the step-up interest in an associate to a subsidiary.

Although the decision to divest the hotel management services contracts was a difficult one as it would mean downsizing our hospitality segment, it provided an opportunity for us to reposition the division to focus primarily on investment in hospitality assets and for the Group to shift its resources to explore new market opportunities.

With proactive steps taken to manage expenses and conserve cash, our Group delivered a 16.5% reduction in operating expenses from the previous year and thus it recorded a comparable gross profit margin to fiscal 2020, while our net cash balance (after deducting bank borrowings) stood at RM21.3 million at the end of fiscal 2021.

The re-imposition of Movement Control Order ("MCO") 2.0 and MCO 3.0 that had effectively disabled interstate, inter-district and international tourism activities for the most part of this fiscal year continued to adversely impact the business of our travel and tours and hospitality assets divisions. However, despite all that Covid calamity, important progress had also been made during the year on several key fronts, among them were: completion of the testing and certification of our bus-body fabrication in Australia; completion of the upgrading works at

Holiday Villa Beach Resort & Spa Cherating resulting in the Holiday Villa management turning the resort’s focus to new business segments especially family, team building and special interest groups, which have received a very positive response from the market; we managed to make good progress with the renovation works on the Group’s aparthotel in Philbeach Gardens, Earls Court, London, now expected to be completed in mid-2022; and our financial services division launching an improved e-commerce payment acceptance service after completing integration with strategic partners to support e-wallet and Financial Process Exchange (FPX) modes of payment and has evolved its operations, technologies and application services to gear up for innovation in the small and medium enterprises (SME) market for business-to-business (B2B) payments.

I see the coming year as one of further progress for the Group in carrying out our strategies for medium to long term growth and remain optimistic for the future as we have a dedicated and resilient management team with the right balance of skills and experience to bring the Group forward.

DIVIDEND

To maintain our long track record of paying dividends, the Board recommends for shareholders’ approval, a single-tier dividend of 0.15 sen per ordinary share, same as the prior year, after taking into account the Group’s current cash position and future capital expenditure requirements.

Subject to approval by shareholders at the Annual General Meeting to be held on 30 June 2022, the dividend will be paid on 18 August 2022 to shareholders on the record of depositors as of 28 July 2022.

APPRECIATION

On behalf of the Board, I would like to express our appreciation to our shareholders, customers and associates for your unwavering confidence, trust and support. To the regulatory authorities, we say thank you for your continued guidance. To all our management and staff whose commitment and dedication in this uncertain time have been the source of the Group’s resilience, the Board and I are most grateful. We look forward to continue working closely with all of you in the year ahead.

DATO’ AHMAD SEBI BAKAR
Group Chair
29 April 2022

Performance Review

The coronavirus ("COVID-19") pandemic continued to significantly impact the Group in fiscal 2021 with our hospitality, travel and tours and financial services divisions being the hardest hit. Fortunately, the impact on our information and communications technology ("ICT") division, which operates primarily in the field of telecommunications remained minimal. Our Group remained resilient and with the diverse businesses and efficient cost discipline to mitigate the adverse impact, we have once again weathered the storm as we did in past economic crises. The Group recorded revenue of RM116.3 million for the year and a profit before tax of RM2.1 million. Group total assets amounted to RM773.3 million as at 31 December 2021 and our shareholders' funds stood at RM453.3 million.

LOWER REVENUE

When comparing to fiscal 2020, there was a slight drop of RM0.9 million in revenue. The Group recorded total revenue of RM116.3 million for fiscal 2021 compared to a revenue of RM117.2 million for fiscal 2020. Save for the ICT and Others divisions, the other divisions recorded lower revenue compared to last year. The biggest contributor to Group revenue in fiscal 2021 was once again the ICT division, which achieved revenue of RM73.6 million, higher by RM8.5 million compared to fiscal 2020, mainly driven by higher revenue from both system sale and managed service contracts.

The Group recorded lower revenue for both the travel and tours division (2021: RM15.5 million, 2020: RM20.3 million) and hospitality division (2021: RM14.8 million, 2020: RM20.0 million). The re-imposition of MCO during the year has led to a reduction of ticketing and outbound tours sales whilst travel restrictions affected the inbound business due to a very significant drop in tourist arrivals. This has also led to lower occupancy and average room rate for the hospitality assets.

The financial services division faced the same challenges in fiscal 2021 as the previous fiscal year due to a decline in merchant sales transactions that caused by the pandemic which has severely impacted economic activity globally, including Malaysia. Revenue dropped further to RM2.1 million compared to RM4.1 million in fiscal 2020.

LOWER REVENUE (continued)

The property development and investment division recorded a comparable revenue with RM6.8 million in fiscal 2021 and RM6.9 million in fiscal 2020. The delay in launching of new projects coupled with weak demand for shophouses under Phase 1 Federal Park had resulted in the lower revenue in 2021. The decrease in this division's revenue was however partially offset by improvement in the food and beverage ("F&B") business under the restaurant, Osteria Gamberoni, which commenced operations in November 2020.

The investment property, Synergy 9 in Temasya Glenmarie, generated rental income from October 2020 onwards. Synergy 9 houses the corporate office of Advance Synergy Berhad ("ASB") and operational headquarters of several subsidiaries of ASB with a small portion of the area rented to third parties. Thus rental income from Synergy 9 had minimal impact to the Group revenue in fiscal 2021 and 2020.

The "Others" division performed better in fiscal 2021 with higher revenue of RM5.1 million compared to fiscal 2020 of RM0.6 million as our bus-body fabrication unit ramped up its operations in fiscal 2021 with the export of 23 buses to Australia.

Contribution of revenue from the education unit was minimal as the business continued to suffer since the start of the pandemic from the measures introduced by the government to curb COVID-19 such as travel restrictions, border closures, quarantine requirements and closure or minimising of physical classes. The education business still depended greatly on foreign and local students being able to attend classes physically.

COMPARABLE GROSS PROFIT AND MARGIN

Despite the lower revenue in the current year, the Group recorded a slightly higher gross profit of RM45.3 million compared to RM44.9 million in fiscal 2020, an increase of RM0.4 million. Group gross profit margin improved to 39.0% this year compared to 38.3% in fiscal 2020. All divisions reported improvement in the gross profit margin except for ICT and travel and tours divisions.

The lower gross profit margin of ICT division (2021: 48.7%, 2020: 52.8%) was mainly due to the lower gross profit margin of Unifiedcomms managed service contract revenues which accounted for the majority of the improvement in the division's revenue. The average gross profit margin for these contracts were lower than the year before primarily due to higher third party costs. However, ICT division remained the highest contributor to our Group's gross profit, with an increase of RM1.5 million compared to fiscal 2020.

HIGHER OTHER INCOME AND LOWER OPERATING EXPENSES

For fiscal 2021, apart from the disposal gain arising from the hotel management services contracts of RM7.0 million, the other income of the Group included fair value gain of RM15.8 million and gain on bargain purchase of RM5.0 million arising from the step-up of interest in an associate to subsidiary. This resulted in higher other income for fiscal 2021 (2021: RM43.2 million, 2020: RM32.4 million). However, the magnitude of increase is partially netted off by the absence of a one-off gain on cash settlement of the legal case pertaining to the right to operate and manage Diwangkara Holiday Villa Beach Resort & Spa Bali of RM1.7 million and a gain before tax on disposal of the vacant land in Arosa, Switzerland of about RM6.6 million recognised in fiscal 2020.

HIGHER OTHER INCOME AND LOWER OPERATING EXPENSES (continued)

Our Group's operating expenses, mainly distribution and administration costs, totalled RM43.6 million, a reduction of RM13.6 million from RM57.2 million in fiscal 2020. The decline in operating expenses in fiscal 2021 was mainly due to lower staff cost and several costs saving measures implemented across all divisions. The closure of Holiday Villa London, United Kingdom in the third quarter of 2020 also contributed to the lower operating expenses in fiscal 2021.

On the other hand, the decrease of other operating expenses from RM37.6 million in fiscal 2020 to RM35.5 million this year was mainly due to the absence of impairment losses in fiscal 2021 namely, the impairment loss on amount due from associates (RM2.1 million) and the impairment loss on inventories (RM2.2 million) recognised in fiscal 2020 and lower impairment loss on trade and other receivables (2021: RM0.1 million, 2020: RM3.4 million) partially netted off by higher impairment loss recognised for goodwill (2021: RM2.8 million, 2020: RM0.7 million) and higher fair value loss on investment securities of RM2.7 million in the current year under review (2020: RM0.3 million).

COMPARABLE PROFITS FROM ASSOCIATES

The Group's share of profits in associates declined slightly to RM101,000 compared to RM142,000 in fiscal 2020.

MIXED FINANCIAL PERFORMANCE FOR MAJOR DIVISIONS

Due to the prolonged COVID-19 pandemic, Group financial performance in fiscal 2021 remained significantly impacted. However, the fair value gain (RM15.8 million) and gain on bargain purchase (RM5.0 million) arising from the step-up of interest in an associate to subsidiary as a result of the settlement achieved at OOPA Pte Ltd ("OOPA") coupled with disposal of the hotel management services contracts (RM7.0 million) have contributed to the profit before tax of RM2.1 million in fiscal 2021 as opposed to the loss before tax of RM22.5 million in fiscal 2020.

In fiscal 2021, with the exception of ICT and investment holding divisions which recorded a profit, all of our other divisions had suffered losses. ICT division contributed RM31.9 million profit to the Group in the current year as compared to RM15.1 million profit in the prior year. However, excluding the fair value gain and gain on bargain purchase arising from the step-up of interest in an associate to subsidiary mentioned above, the ICT division recorded lower profit despite higher revenue for the current year mainly due to higher operating expenses and lower gross profit margin.

The increase in operating expenses was mainly due to fair value loss assessed on an investment property coupled with higher payroll costs.

Profit was recorded by the investment holding division for fiscal 2021 compared to a loss in fiscal 2020. This was mainly due to higher dividends from subsidiaries, which had no impact to the Group results, coupled with fair value gain arising from the step-up of interest in an associate to subsidiary as the division also has investment in OOPA.

MIXED FINANCIAL PERFORMANCE FOR MAJOR DIVISIONS (continued)

The other major divisions, property development and investment, hospitality and travel and tours, reported a total loss before tax of RM12.7 million compared to a loss before tax of RM10.2 million in fiscal 2020: in a nutshell — travel and tours division did well to reduce its loss from RM1.5 million in fiscal 2020 to RM0.9 million in fiscal 2021. Hospitality division too recorded lower operating loss in fiscal 2021 but made impairment loss on its goodwill and recorded fair value loss on its investment securities. Property development and investment division recorded further losses due mainly to pre-operating expenses for its Yap Ah Shak House property. The financial services division on the other hand recorded comparable loss before tax of RM5.6 million and RM5.7 million for both fiscal 2021 and 2020 respectively.

The Others division, consisting of bus-body fabrication and education units, reported lower total loss before tax of RM6.6 million compared to RM7.6 million in fiscal 2020. The decrease in loss before tax in the Others division was mainly due to flow-down effect of higher revenue generated by the bus-body fabrication unit during the year.

LOWER INCOME TAX

Group income tax expense was lower despite having a profit before tax in the current year as opposed to a loss before tax in the prior year. This was mainly due to lower tax from an overseas subsidiary under hospitality division in addition to non-taxable fair value gain (RM15.8 million) and gain on bargain purchase (RM5.0 million) arising from the step-up of interest in an associate to subsidiary. The bulk of Group income tax expense in fiscal 2021 was attributable to the income tax expenses of the ICT and hospitality division of RM2.6 million and RM0.8 million respectively.

INCREASE IN TOTAL ASSETS

As at 31 December 2021, total assets of the Group increased by 8.9% to RM773.3 million (2020: RM710.4 million) arising from the increase in both non-current assets (2021: RM513.3 million, 2020: RM463.8 million) and current assets (2021: RM260.0 million, 2020: RM246.6 million).

The major movements in the assets of the Group for fiscal 2021 can be summarised thus:

1) The increase in property, plant & equipment ("PPE") of RM44.3 million attributable mainly to the reclassification of investment property to PPE amounting to RM29.0 million and additions to PPE by various divisions such as hospitality, property development and investment, financial services and ICT totalling RM18.2 million, partly offset by depreciation charges of RM7.1 million during the year;
2) The reduction in investment properties by RM26.3 million mainly due to the reclassification to PPE of RM29.0 million as mentioned above, partly offset by fair value gain recognised for some investment properties;
3) The reduction in investment in associates by RM8.9 million mainly arising from declaration of dividend to the Group by one of the associates amounting to RM9.0 million, partly offset by share of results of associates of RM0.1 million;
4) The increase in investment securities of RM47.5 million mainly due to additions through the step-up interest in an associate to subsidiary during the year;
5) Trade and other receivables and other assets increased by RM11.7 million from RM77.5 million in fiscal 2020 to RM89.2 million in fiscal 2021 as all divisions reported an increase except for property development and investment, travel and tours and financial services divisions; and

INCREASE IN TOTAL ASSETS (continued)

6) The increase in cash and bank balances and short-term deposits by RM5.7 million.

INCREASE IN LIABILITIES

Total liabilities of the Group increased from RM187.5 million in fiscal 2020 to RM236.2 million in fiscal 2021, an increase of RM48.7 million.

The increase in the total liabilities of the Group was mainly due to increase in net drawdown of borrowings (term loans and revolving credit) amounting to RM47.9 million. The net drawdown of loan and partial proceeds from the disposal of hotel management contracts contributed to the Group's cash position of RM126.7 million.

INCREASE IN GROUP EQUITY AND DECREASE IN LOSS PER SHARE

The Group recorded total comprehensive income of RM2.1 million which was made up of a loss after tax of RM1.4 million and other comprehensive income of RM3.5 million. Coupled with the step-up of interest in an associate to subsidiary and partly offset by the dividend paid, the Group equity increased from RM523.0 million in fiscal 2020 to RM537.2 million in fiscal 2021.

In the current fiscal year, the Group recorded a lower loss after tax and non-controlling interest of RM11.3 million (2020: RM30.6 million) leading to a lower loss per share of 1.21 sen (2020: 3.30 sen).

INFORMATION AND COMMUNICATION TECHNOLOGY

2021 marks the division's thirteenth consecutive year of being in the black.

The ICT division comprises three main segments namely Unifiedcomms, GlobeOSS and Captii Ventures. Unifiedcomms continued to address mobile network operators and integrated telecoms service providers with application and platform software, turnkey solutions and systems and a variety of professional and managed services. GlobeOSS meanwhile, has developed into Malaysia's leading systems integration and solution provider in the telecoms big data and analytics field. Captii Ventures, the venture investment arm of the ICT division, on the other hand focuses primarily on the South East Asia ("SEA") market for start-up investment opportunities.

2021 was a positive year for the division in terms of revenue growth but a mixed one when we examine the performance of each of the business segments. The division achieved revenue of RM73.6 million in fiscal 2021, higher by RM8.5 million compared to fiscal 2020. Unifiedcomms posted an increase of RM10.1 million in revenue, turning in total revenue of RM46.9 million in fiscal 2021 versus RM36.8 million the year before as a result of improvement in both system sale (2021: RM4.5 million, 2020: RM3.9 million) and managed service contract revenues (2021: RM42.4 million, 2020: RM32.9 million). In contrast, GlobeOSS recorded revenue of RM26.8 million in fiscal 2021, a decrease of RM1.5 million from the RM28.3 million achieved in fiscal 2020 as the GlobeOSS business experienced a decline in managed service contract revenues (2021: RM9.7 million, 2020: RM15.2 million) which was partially mitigated by the increase in GlobeOSS system sale contract revenues (2021: RM17.1 million, 2020: RM13.1 million).

INFORMATION AND COMMUNICATION TECHNOLOGY (continued)

Gross profit increased by RM1.5 million in fiscal 2021 compared to fiscal 2020 which was mainly driven by the increase in the current year revenue offset by the lower gross profit margin (2021: 48.7%, 2020: 52.8%). Gross profit grew slower than revenue due to the sales mix achieved in fiscal 2020 — where the lower gross profit margin of Unifiedcomms managed service contract revenues accounted for the majority of the improvement in the division's revenue. Managed service contract average gross profit margin decreased to 44.3% in fiscal 2021 as compared to 50.4% achieved the year before. This was primarily due to higher third-party costs on certain Unifiedcomms managed service contracts. Meanwhile gross profit margin earned on system sales contract revenues was consistent at 59.4%.

ICT division recorded RM31.9 million profit in the current year as compared to RM15.1 million profit in the prior year. This substantial increase was largely attributable to a fair value gain on the remeasurement of the division's previously held interest in OOPA and a gain on bargain purchase arising from the step-up interest on the acquisition of OOPA. These exceptional gains amounting to RM18.7 million resulted in a significant increase in the fair value of the division's venture investment portfolio under Captii Ventures, and had no cash impact on the division.

When the bottom line numbers are examined more closely, to exclude exceptional gains such as the fair value gain and gain on bargain purchase enjoyed on the acquisition of OOPA, and fair value gains on other investment securities, the division recorded a lower profit from operations of RM7.1 million in fiscal 2021 compared to RM9.2 million in fiscal 2020. The lower profit from operations despite higher revenue for the current year was mainly due to higher operating expenses. In fiscal 2021, there was a fair value loss assessed on the division's investment property and foreign exchange loss primarily due to the continually weakening of the Pakistan Rupee against the Singapore Dollar coupled with higher payroll cost.

FINANCIAL SERVICES

The financial services division comprises Paydee Sdn Bhd ("Paydee"), a card and payment services business and Qurex Sdn Bhd ("Qurex"), a money services business. Paydee is an issuer and acquirer approved by Bank Negara Malaysia, and a principal licensee of MasterCard Worldwide and Visa International. Qurex meanwhile provides foreign currency exchange and remittance services for business.

Due to the adverse trading conditions brought about by the pandemic, Paydee reported lower revenue of RM2.0 million in fiscal 2021, a decrease of RM2.0 million or 51% compared to RM4.0 million in fiscal 2020 arising from lower number of transacted merchants as well as lower merchant processed sales volume. During the year, there were also fewer new merchants on-boarding with us. For fiscal 2021, Paydee reported a loss of RM5.4 million, slightly higher than the loss of RM5.0 million in fiscal 2020. The higher loss was mainly due to the flow-down effect of lower revenue that was partly mitigated by a concerted effort to reduce operating costs during the year.

Minimal revenues were reported for Qurex in both fiscal 2021 and 2020 mainly due to the cessation of business in 2 branches since the month of May in fiscal 2020 and the temporary closure of the head office in the year under review as there were minimal transactions for currency exchange and money remittance businesses during the last two pandemic years. For fiscal 2021, Qurex reported a lower loss of RM0.2 million, an improvement of RM0.5 million or 69% compared to a loss of RM0.7 million in fiscal 2020 attributable mainly to lower operating costs during the year.

TRAVEL AND TOURS

Travel and tours division's revenue for fiscal 2021 dropped by RM4.8 million from RM20.3 million in fiscal 2020 to RM15.5 million in fiscal 2021 as the emergence of new wave of COVID-19 cases hit the global tourism industry the hardest.

Despite the lower revenue in fiscal 2021, the division recorded lower loss before tax of RM0.9 million compared to a loss of RM1.5 million the year before. There was an uptick in revenue in the last quarter of fiscal 2021 as more restrictions were lifted both locally and globally resulting in an increase in revenue from ticketing. Hence the division recorded an almost break-even position for the last quarter of fiscal 2021. Also, in fiscal 2021, there was no impairment in associates (2020: RM0.4 million) and operating expenses were lower compared to the year before as a result of lower payroll cost, tight cost control measures and receipt of government subsidy allowances coupled with other income from rental reduction during the year.

PROPERTY DEVELOPMENT AND INVESTMENT

The property development and investment division recorded a comparable revenue of RM6.8 million compared to RM6.9 million in fiscal 2020.

The revenue of our property development unit represented by Advance Synergy Realty Sdn Bhd ("ASR"), dropped significantly by RM2.7 million in fiscal 2021 compared to the previous year (2021: RM3.4 million 2020: RM6.1 million) as there were no new residential units for sale due to the delay in launching of new projects with the continued delay in obtaining the necessary approvals for development. Revenue generated in fiscal 2021 was from the sale of the remaining 5 residential units in our Taman Sri Mayang project. Hence all units are now fully sold.

The drop in revenue of the property development unit was offset fortunately, by the improvement in revenue from ASR's subsidiaries, Temasya House Sdn Bhd ("THSB") RM1.7 million and Osteria Gamberoni Sdn Bhd ("OGSB") RM1.6 million. THSB recorded a full year's revenue from rental income although this has minimal impact to the Group revenue as the rental income are mainly from ASB and its subsidiaries. OGSB which operated the restaurant, Osteria Gamberoni, commenced operations in November 2020. Although the F&B business was also affected by the various restrictions imposed due to COVID-19, the restaurant has performed better in fiscal 2021.

Despite having a comparable revenue, the loss for the division increased by RM0.7 million from RM2.3 million in fiscal 2020 to RM3.0 million in fiscal 2021 mainly due to higher pre-operating expenses incurred by our investment unit for Yap Ah Shak House which is expected to be fully operational in fiscal 2022.




① *Yap Ah Shak view of rooftop terrace by night.*

② *Aerial view of Yap Ah Shak and KLCC skyline.*

③ *Yap Ah Shak south facade louvre detail.*

④ *Osteria Gamberoni alfresco terrace with mural and window into the kitchen.*

PROPERTY DEVELOPMENT AND INVESTMENT (continued)

Yap Ah Shak House in Kuala Lumpur, a detached commercial five-storey building in which the Group currently owns a 70% interest, had completed its renovations and refurbishment works in fiscal 2021, turning Yap Ah Shak House into a high quality mixed-use property comprising serviced offices, meeting facilities, an event hall as well as two floors of F&B operations on the ground floor and roof terrace. Operation and management of the serviced offices, meeting facilities, event hall and F&B venues at Yap Ah Shak House are internalised and undertaken by subsidiaries of ASB. This investment property in the heart of Kuala Lumpur, Malaysia will be fully operational in 2022. Given its strategic location, the Group believes that the potential income to be generated from Yap Ah Shak House will contribute positively to the future earnings of its property development and investment division.

PROPERTY DEVELOPMENT AND INVESTMENT (continued)

Our other investment property, Synergy 9, Temasya Glenmarie, houses the corporate office of ASB and operations of several subsidiaries of ASB since October 2020. Hence rental income derived from Synergy 9 had no significant impact to the Group's revenue in fiscal 2021.

For the property development unit, the flow-down effect of lower revenue resulted in higher loss before tax (2021: RM1.0 million, 2020: RM0.8 million). But fiscal 2022 would be a new beginning for ASR if its targeted launch of Phase 2 of the Federal Park project in the first half of fiscal 2022 materialises followed by the launching of the Sejijak project targeted towards the end of fiscal 2022.

HOSPITALITY

The country's tourism sector was badly affected by the outbreak of COVID-19. According to the Tourism, Arts and Cultures Ministry, Malaysia is expected to lose some RM165 billion in tourist expenditure in the fiscal 2021 as compared to RM135 billion in fiscal 2020. The increase in losses might also be due to the implementation of MCO 3.0 imposed nationwide, that had effectively disabled interstate, inter-district and international tourism activities for most of the year.

The Langkawi travel bubble pilot programme that kicked off on 16 September 2021 was one of the most important decisions made by the Government. It also paved the way for the resumption of interstate travel — which automatically restarted tourism activities — in Malaysia, as well as the resumption of outbound international travel for leisure. This was followed by the Langkawi international travel bubble programme which began on 15 November 2021 whereby fully vaccinated tourists from overseas are allowed to enter the island and holiday without the need to quarantine.

Though there were some domestic tourism activities when the Government lifted the interstate travel ban on 11 October 2021, the mood was dampened by the emergence of the new Omicron variant of COVID-19. Total revenue achieved by the hospitality division for fiscal 2021 amounted to RM14.8 million. This was a decrease of 25.9% from the previous year's revenue of RM20.0 million.

Taking advantage of the low occupancy, we undertook a substantial upgrading works at the Holiday Villa Beach Resort & Spa Cherating, completed in fiscal 2021 and had received overwhelming response from the family market, team building and special interest groups. Holiday Villa Hotel & Residence Shanghai Jiading P.R.C. had also performed better in fiscal 2021 with an increase of 65% in total revenue compared to the previous year. The hotel is popular with education and local travel groups as well as regular corporate clients. The hotel operations turned around to achieve a decent operating profit in fiscal 2021 although it was still loss making after providing for fixed overhead cost.

HOSPITALITY (continued)

Overall, the hospitality segment reduced its loss from operations to RM11.7 million in fiscal 2021 from RM15.1 million in fiscal 2020, an improvement of RM3.4 million or 22.4% as the division implemented various cost management measures. Despite the better operating results, this segment's loss before tax was higher in fiscal 2021 of RM8.8 million compared to RM6.4 million in fiscal 2020 primarily attributable to the lower other operating income in fiscal 2021 compared to the previous year.

OTHERS DIVISION

The Others division comprises the bus-body fabrication and education businesses of the Group. Total revenue generated by this division was higher by RM4.5 million at RM5.1 million in fiscal 2021, compared to RM0.6 million in fiscal 2020. With the higher revenue achieved, the division recorded a lower loss before tax (2021: RM6.6 million 2020: RM7.6 million).

Our bus-body fabrication unit recorded a higher revenue of RM5.0 million in fiscal 2021 compared to RM0.5 million in fiscal 2020. In fiscal 2021, the unit exported 23 buses to Australia compared to one unit only in fiscal 2020 as the testing and certification of our bus-body by the Australian authority was only granted in the 3rd quarter of fiscal 2021. The flow-down effect of higher revenue yielded a lower operating loss before tax of RM6.1 million in fiscal 2021 compared to a loss before tax of RM6.4 million in the prior year. Although production was also affected by the COVID-19 pandemic, the unit had managed well even with labour and supply chain pressures. In addition, we successfully streamlined and restructured the management and operations during the year that enabled us to increase the total number of buses delivered in fiscal 2021.

Our education unit faced continuous challenges from the COVID-19 pandemic including closure of our learning centre and travel restrictions which had significantly impacted our student enrollments and the ability to generate revenue growth in fiscal 2021.

The education unit began the year in anticipation of the return of international and local students for academic language and corporate training programmes at our centre. However, with the renewed imposition of MCO in January 2021 until early September 2021, the centre was forced to close for physical classes and virtual classes were implemented. With travel restrictions and border closure, our primary business strategy to increase international student enrollments and engage in active marketing activities with education partners in fiscal 2021 was derailed. As such, very little revenue was generated for the last two years (2021: RM0.1 million 2020: RM0.1 million). The education unit implemented various operating cost reduction exercises at different stages during the pandemic including reduction in salary, rental reduction and a reduced number of teaching staff to minimise the strain on our cashflow. The cost discipline resulted in lower loss before tax recorded in fiscal 2021 compared to fiscal 2020 (2021: RM0.5 million 2020: RM1.2 million).

The Year Ahead...

Malaysia's economic recovery is expected to gain momentum as we enter fiscal 2022. Positive statements from Bank Negara Malaysia that Malaysian economy is forecasted to expand between 5.5% and 6.5% in fiscal 2022 are extremely encouraging for the businesses of the Group. However, the Group remains mindful of the challenges of COVID-19 pandemic such as increasing costs and continued volatility which may derail the supply chain. We expect consumer confidence to rebound with widespread vaccination and effective pandemic management globally. Thus the successful execution of our business development plans, with a tight focus on costs and continued investment into our businesses, to deliver better Group financial performances, is critically important.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

The impact of COVID-19 on Unifiedcomms and GlobeOSS operations in the current fiscal year has fortunately remained minimal. The Group's primary customers in the Unifiedcomms and GlobeOSS businesses are telecommunications network operators and service providers that have continued to operate normally throughout COVID-19 restrictions, albeit remotely and through digital engagement, rather than face-to-face interaction. Contracts in-hand continue to be progressed and management of the division are hopeful that new projects and initiatives requiring our products and services will continue to be pursued by customers. The possibility remains however, that larger system sale contracts that have yet to be committed in the current fiscal year, maybe further deferred, or even abandoned entirely if macroeconomic and industry conditions do not improve quickly or significantly enough. Some managed service contracts of the division which have been impacted by government restrictions or directives arising from COVID-19 policy measures, may meanwhile continue to show weaker performance.

At Captii Ventures, our division's venture investment business, the climate for business development and funding has improved but continues to be challenging for certain start-ups in industries or business areas that remain significantly affected by COVID-19. As a result of the settlement achieved at OOPA in 2021, a significant fair value gain on our Group's venture investment portfolio has been reflected in the results for the current fiscal year. A number of other investees continued to grow strongly through the year and contributed to the significant improvement in value of the overall venture investment portfolio.

Against this negative but improving macroeconomic backdrop for the future, the division remains optimistic and will continue to work closely with customers and investees, to minimise the negative impact of COVID-19 on the division's financial performance. The division continues to take an active and measured approach to managing risks to protect the Group's people and assets, and will sustain these efforts until the pandemic truly resolves.

FINANCIAL SERVICES

B2B payment practices and methods in many developing economies in SEA remain largely unchanged for decades, with Malaysia being no exception. While the digitisation of consumer payments was accelerated by the emergence of e-wallets and the COVID-19 pandemic, enterprises in Malaysia continue to rely primarily on traditional modes such as cash or cheque. In view of the low utilisation of B2B payment among the enterprises as well as the effort of the government in promoting digital economy, the division foresees that the outlook of digital payment industry in Malaysia is favourable to the division's business through the development of the mobile digital payment and cashflow management application services ("New Payment Application Services").

Paydee, our payment services unit, has in fiscal 2021 initiated the process of evolving its operations, technologies and application services to better address the enormous opportunity for innovation in the SME market for B2B payments through the development of the New Payment Application Services (NPAS). NPAS is intended to provide the SMEs a seamless end-to-end digital payment solution starting from the front-end payment gateways (such as direct debits, quick response (QR) pay, e-wallets) to payment settlement to its vendors. In addition, the NPAS could provide analytical insights on the business cashflows by capturing all the transactions records which in turn may enhance the SMEs' cashflow management.

Our NPAS will thus allow local enterprises to make fast, transparent and efficient payments as compared to the existing traditional payment methods such as cash and cheque. Enterprises can also access to the New Payment Application Services via their mobile devices to perform contactless payments and to track and manage their cashflow remotely. Pursuant to its business expansion plan, Paydee intends to develop into a leading provider of digital payment and cashflow management application services for the SMEs in Malaysia.

Expansion of its merchant acquiring services business will be speeded up as Paydee anticipates improvement in the trading environment with more restrictions being lifted and rebound in consumer confidence as the country sees widespread vaccination and effective pandemic management. The division is currently working with partners to expand the payment network in different market segments. However, the operating environment for Paydee's existing payment application services continues to be challenging in terms of technology, competition from banks and other bank acquirers and also the economic uncertainty for certain merchant segments brought about by the lingering pandemic. Recognising these challenges, the focus will be on developing the NPAS as mentioned above. A significant expansion in human resources is required to establish and operate the NPAS to capitalise on the significant growth and innovation opportunities. Hence focus will be made in fiscal 2022 to recruit additional staff to design, develop, operate and manage its expansion plan. To augment its expansion plan, the division intends to identify and evaluate opportunities for collaborative arrangements, mergers and acquisition of businesses or assets to accelerate its business expansion plan.

FINANCIAL SERVICES (continued)

With COVID-19 pandemic, the business environment for retail currency exchange and international remittance services in Malaysia is challenging due to persisting international travel constraints and competition from digital service providers. Thus the focus of Qurex since early fiscal 2020 was to practise cost discipline. However, with anticipated improvement in the economy in fiscal 2022, the focus will be to explore opportunities to generate new sources of income and sustainable avenues for growth including in the areas of B2B international payment and remittance services.

TRAVEL AND TOURS

COVID-19 pandemic not only had a significant impact on public health, it also severely affected one of the linchpins of the global economy — the tourism industry. As many countries introduced curfews and travel restrictions to contain the spread of the virus, travel across the world declined significantly since early 2020.

The division remains cautious as the headwinds surrounding the tourism industry may persist, particularly if new Omicron variants continue to emerge. With the current aggressive vaccination programme in place, the division is hopeful that more travel restrictions will be sufficiently relaxed to spur a recovery in domestic and international travels. Also, the fears around the viruses have eased, amid evidence that its impact is more muted — especially among those who are vaccinated and boostered. Omicron's "infection-but-mild" profile appears to have accelerated global debate over treating COVID-19 more like influenza. Calls from various parts of the world are growing to view infection as something commonplace and manageable.

The strategy of the travel and tours division — to remain focused on building its corporate client base for ticketing business and in developing and adapting its products to sustain growth in the leisure and corporate markets for inbound and outbound travel and tours — has not changed. The division had executed the strategy successfully prior to the pandemic and we anticipate the global tourism industry to recover. The division has also revamped and repackaged our inbound products to also cater for the demand from domestic travel, customised travel and special interest tours in order to provide a wider variety of tourism packages.

PROPERTY DEVELOPMENT AND INVESTMENT

(i) Development : New Launches

The year 2022 will mark a new beginning for the division as it targets launching of Phase 2 of the Federal Park project and Sejijak project in fiscal 2022 with gross development values in excess of RM110 million for the two projects. The division has obtained development approvals for Phase 2 of the Federal Park project and Sejijak project. Subject to the approval from the relevant authorities for the building and engineering plans, Phase 2 of the Federal Park project, comprising 116 residential houses, is expected to be launched in the first half of 2022 followed by the launching of the Sejijak project, comprising 208 units of residential houses, towards the end of the year.

PROPERTY DEVELOPMENT AND INVESTMENT (continued)

(i) Development : New Launches (continued)

Although the property market in Kuching is expected to remain soft, the division is optimistic in the two launches as our target market is the medium to medium-low residential property market, the division is confident in the marketability of its properties. However, with rising construction cost, the challenge would be the extent to which such costs can be absorbed by the market. With tight management of costs coupled with continuing efforts to improve its product quality and customer service to maintain its position as one of the most reputable developer in Kuching, the division will remain agile and proactive to meet these challenges.

(ii) Investment : Hospitality & Services

Since the outbreak of COVID-19 pandemic in early fiscal 2020, the country's tourism sector came to a standstill. Against this backdrop, we revisited our strategy for the hospitality division. The divestment of the management services contracts, licensing agreements and trademarks during fiscal 2021 provided an opportunity for us to rationalise the hospitality operations to focus purely on asset investment. Consequently, we are re-positioning ourselves as property owners striving to achieve better returns on the assets by working closely with the parties appointed to manage and operate these assets.

With this new focus, the hospitality assets and business are now grouped under the property development and investment division and will be reflected as such in our future segmental reporting.

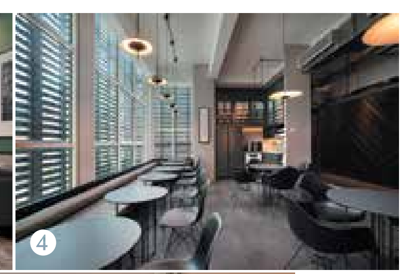
Despite the uncertain outlook for the hospitality sector, it is anticipated that planned travel for leisure to visit friends or family or business purposes in 2022 can possibly surpass actual travel in 2019, and that post-pandemic environment could open up a new paradigm for the tourism industry. As such our hospitality segment is hoping for a stronger trading recovery in 2022 especially with the completion of the upgrading works in our Holiday Villa Beach Resort & Spa Cherating in 2021 and the expected completion of the renovation works on the aparthotel in Philbeach Gardens, Earls Court, London in the middle of 2022. We are cautiously optimistic that these investments would augur well once the hospitality industry recovers.

Meanwhile a much improved trading performance was recorded by our Hotel & Residence Shanghai Jiading P.R.C. with its upward trend since the beginning of 2022. But this upward trend was disrupted from March 2022 by the surge of COVID-19 cases in China which resulted in many cities including Shanghai, experiencing a city-wide lockdown.

PROPERTY DEVELOPMENT AND INVESTMENT (continued)

(ii) Investment : Hospitality & Services (continued)

Yap Ah Shak House in Kuala Lumpur will be fully operational in 2022 as a high quality serviced offices with meeting facilities, an event hall as well as two floors of F&B operations. There was a more protracted ramp-up period due to restrictions imposed and lingering uncertainty brought about by the COVID-19 pandemic which delayed the opening of Yap Ah Shak House to this fiscal year. Operation and management of the serviced offices, meeting facilities, event space and the F&B venues at Yap Ah Shak House are internalised and undertaken by subsidiaries of ASB. With our business model for Yap Ah Shak House, in the absence of delay in pandemic recovery, the division believes that the potential income from Yap Ah Shak House will contribute positively to the future earnings of the division.



1. *Osteria Gamberoni dining hall interior by night.*
2. *Meeting/dining room on the roof terrace.*
3. *Yap Ah Shak west lounge on level one.*
4. *Yap Ah Shak east lounge on level one.*
5. *Yap Ah Shak board room.*

BUS-BODY FABRICATION

Our bus-body fabrication unit, Aviva Master Coach Technology Sdn Bhd ("Aviva"), started 2022 in a positive mode with increased orders in hand and as a more efficient production entity. For 2022, the unit will continue to focus on the Australia market. With the completion of testing and certification for the fabricated bus-body in Australia, the unit expects sale of buses to Australia to improve as the feedback from our Australian customer shows cautious optimism in the sale of buses especially to new market segments such as the Australian mining industry.

Although the market situation remains challenging with uncertainty on how COVID-19 pandemic will eventually pan out and with rising costs as well as continuing disruption to the supply chain, Aviva is still confident in managing the risks and shall be focused in ensuring that its production is cost-and-delivery-efficient. For the next two years, our bus-body fabrication unit is expected to increase its production to 20 buses per month in line with the expected increase in orders from the Australian market.

Aviva entered into collaboration with one of China's leading electric bus manufacturer for the supply of electric city buses for the local and ASEAN markets in 2020. Unfortunately, the plan has not progressed much further. We know that the electric bus market is forecasted to grow globally with Asia Pacific region being, potentially, the largest available market. Although Aviva does not anticipate its fabrication of electric buses to happen in the near to medium term, such plans remain in place and we will continue to engage with relevant parties in order to enter the market at the appropriate time.

EDUCATION

Operations at our education unit also continue to be adversely impacted by the COVID-19 pandemic as various measures and guidelines by the government to curb infections. Restrictions on conduct of physical classes and border controls since the start of the pandemic in early 2020 affected our intake of students particularly from the foreign student market. Our education unit is still highly dependent on students being able to attend physical classes in the country even though we have also expanded our online courses over the past year.

The unit continues to see potential in the education industry in going forward as the country is expected to relax many of the COVID-19-phase guidelines. Such moves would allow our business to recover. With the re-opening of business, The Language House ("TLH") will be strengthening its market share in academic English programmes for local and foreign students. Brand and recruitment awareness activities, as well as engagement with international language and vocational centres in Australia are some of the key drivers for revenue growth that the unit expects to achieve in 2022.

The unit recognises the impact digital transformation has on education and the importance of the need for the business to shift towards a digital transformation strategy to remain competitive and unlock new revenue potential. Thus for 2022, our 5 key strategies to grow the targeted sectors remain focused on the following: (i) online education programmes; (ii) Human Resources Development Fund and corporate workshops; (iii) specialised courses with edu-partners; (iv) digital content platform; and (v) outreach programmes for the local market.

Statement on Sustainability

The Group's Board together with Management take responsibility for the governance of sustainability in the Group which may include setting the Group's sustainability strategies, priorities and targets. In connection therewith, they are committed to establish and maintain an effective Sustainability Management System which is supported by underlying internal controls, risk management practices, clear accountability and reporting process.

The Board takes into account sustainability considerations which include evaluating the Environmental, Social and Governance ("ESG") risks and opportunities relevant to the Group when exercising its duties including among others the development and implementation of the Group's strategies, objectives, business plans, performance measurements, major plans of action and risk management. The Board would also strive to ensure that the Group's sustainability strategies, priorities and targets as well as performance against such targets are communicated to its internal and external stakeholders and annual review of the performance of the Board and/or Senior Management may include aspects relating to their performance in addressing the Group's material sustainability risks and opportunities moving forward.

The Management identifies the type of relevant ESG issues caused by its day-to-day operations. Management then determines the materiality of the ESG issues based on the level of significance of impact and influence on stakeholder values, and the achievement of the Group's strategic objectives. The Board supports and approves the identification and assessment parameters of material ESG issues.

The key material ESG issues for ASB have been identified and reviewed by ASB's Board and Management and deemed to remain relevant. These issues will be reviewed annually against the changing business environment, stakeholder opinions, and emerging global and local trends to keep abreast of critical issues. The Group will work towards ensuring comprehensive disclosures on the management and monitoring of our sustainability initiatives for continual improvement.

The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long term growth for all of its stakeholders. To manage sustainability strategically, which may include the integration of sustainability considerations in the operations of the Group, matters relating to business continuity, contingency planning and sustainability measures to address operational matters such as manpower shortage and supply chain interruptions, were discussed and assessed during the risk review meetings at subsidiaries' level and findings of the assessment were presented at the Risk Management Committee meetings of ASB. In time to come, ESG issues that were incorporated in various risk registers will be compiled under separate risk registers for more focused discussion, monitoring and management.

STRATEGIC APPROACH FOR SUSTAINABILITY

At ASB, we continue to refine our management approach to adapt to the changing business and sustainability landscape. Aligning with the perspective of our stakeholders, the Senior Management Team has, within the scope of our business operations, identified that the Environmental Management, Product Excellence, Supply Chain Management, Regulatory Compliance, Corporate Governance and Risk Management, Labour Practices and Human Rights, Health and Safety Management and Corporate Social Responsibilities constitute key sustainability issues material to our business.

In this regard, we have established sustainability performance management framework (See Exhibit 1), and identified three (3) key pillars, to enhance the monitoring and reporting of our sustainability performance.

Exhibit 1 – ASB Group's Sustainability Performance Management Framework

Three (3) pillars of our sustainability performance

Supported by a systematic & interactive process to identify, categorise and prioritise material ESG issues

REPORTING PRACTICE AND BOUNDARY

This sustainability report provides detailed disclosure of management of our key sustainability issues for the financial year ended 31 December 2021. The ASB Group comprises operating subsidiaries and associates that service business and consumer markets in a variety of industries. These operating companies are grouped under the several Key Business Divisions of the ASB Group (See Exhibit 2), which include:

Exhibit 2 – Our Key Business Divisions

1. Please refer to the Governance section of the Annual Report.
2. Property development and investment includes F&B business.
3. As Captii Limited ("Captii") under ICT division is a subsidiary listed on the Singapore Exchange Securities Trading Limited, it has produced a detailed 2021 sustainability report that provides information on their sustainability performance. Please refer to Captii's sustainability report in their 2021 annual report for further information.
4. The Others division refers to our bus-body fabrication and education businesses.

UNDERSTANDING WHAT MATTERS TO US

We use a comprehensive materiality assessment to identify priority areas based on the business strategy outlined in our plan. Our materiality assessments were based on the AA1000 Account Ability Principles of Inclusivity and Materiality, as well as the Global Reporting Initiative ("GRI") Principles for Defining Report Content – stakeholder inclusiveness, sustainability context, materiality and completeness. Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation's significant ESG impacts; and would substantively influence the assessments and decisions of stakeholders.

In 2018, a robust process was undertaken to identify and prioritise the Group's material ESG issues. The process was supported by an independent consultant and involved stakeholder consultations, workshops for senior management, an assessment of long-term global trends and an internal review of our businesses. Since then, annually through internal discussion, Management has reviewed stakeholders across the Group's value chain and identified the following as key stakeholder groups for the respective business.

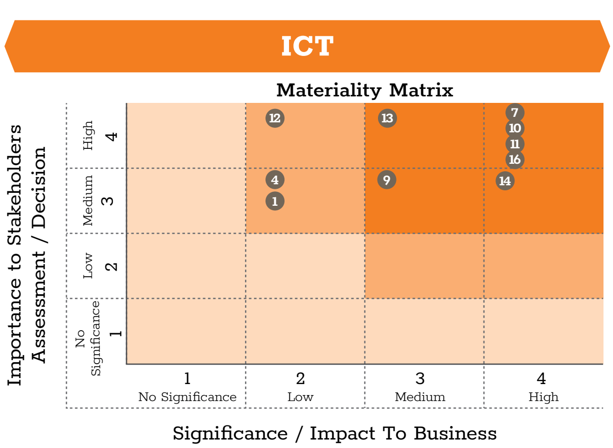
UNDERSTANDING WHAT MATTERS TO US (continued)

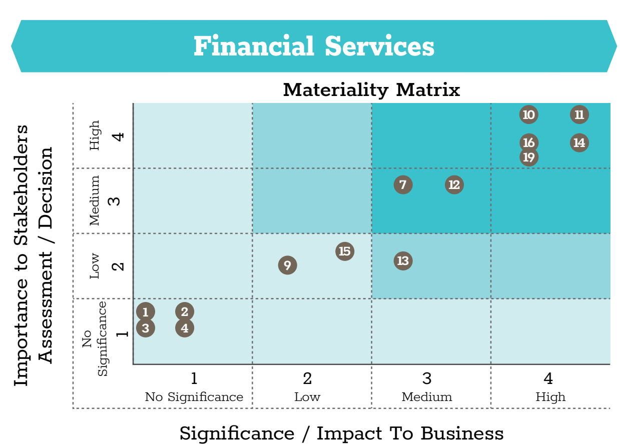
There is no significant change for financial year ended 31 December 2021 compared to 2020 except for the incorporation of a new F&B unit which commenced its operations during fiscal 2021 as below:

Hospitality	1. Channel/ Distribution Partners 4. Employees	2. Government & Regulators 5. Banker/ Lenders	3. Customers
ICT	1. Customers	2. Employees	3. Suppliers
Property Development & Investment — Property Development	1. Government & Regulators 4. Customers	2. Employees	3. Contractors
Property Development & Investment — F&B	1. Employees 4. Government & Regulators	2. Shareholders 5. Customers & Community	3. Suppliers/ Contract
Travel & Tours	1. Shareholders 4. Government & Regulators	2. Investors/ Analyst 5. Employees	3. Media
Financial Services	1. Employees 4. Channel/ Distribution Partners	2. Shareholders 5. Customers	3. Government & Regulators
Others Division — Bus-Body Fabrication	1. Customers 4. Employees	2. Government & Regulators 5. Media	3. Channel/Distribution Partners
Others Division — Education	1. Employees 4. Government & Regulators	2. Channel/ Distribution Partners	3. Customers

Our material issues are identified as those that are ranked as high and medium on the materiality matrix (See Exhibit 3). We therefore focus our sustainability efforts and reporting on these issues that are of the most concern to our business and stakeholders.

Exhibit 3 – ASB's Materiality Matrix

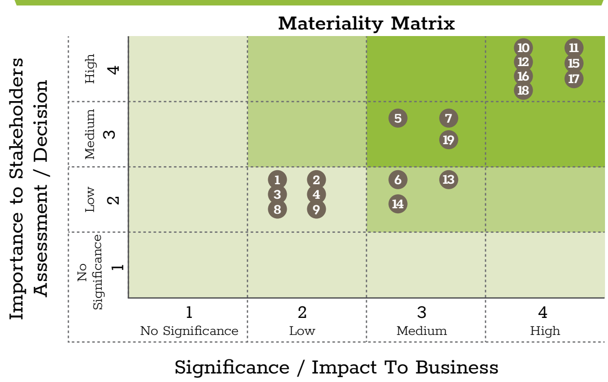




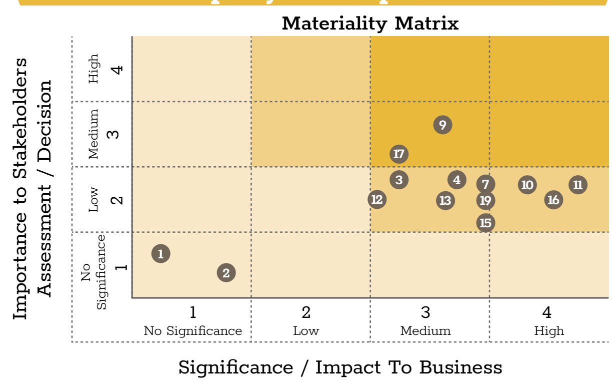
UNDERSTANDING WHAT MATTERS TO US (continued)

Exhibit 3 – ASB's Materiality Matrix (continued)

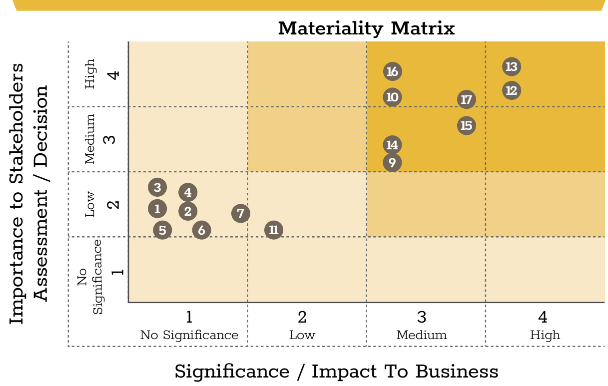
Travel & Tours



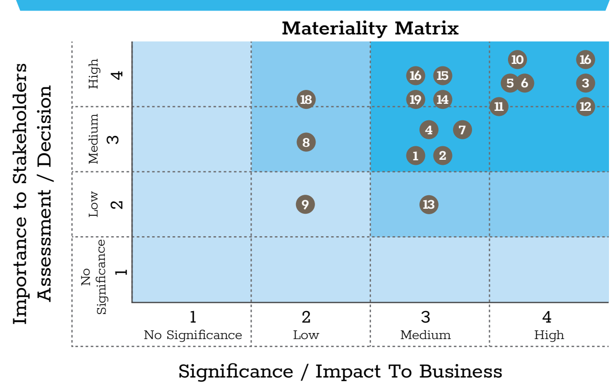
Property Development & Investment — Property Development



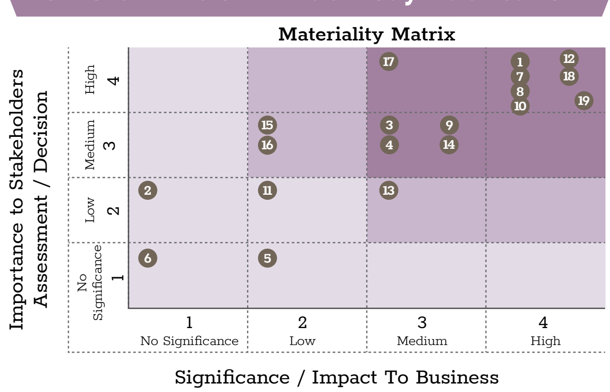
Property Development & Investment — F&B



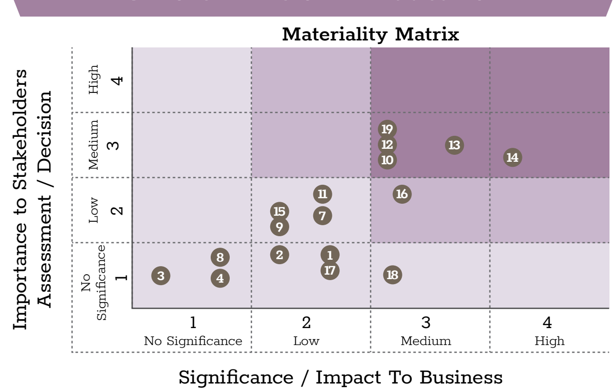
Hospitality



Others Division — Bus-Body Fabrication



Others Division — Education



UNDERSTANDING WHAT MATTERS TO US (continued)

ESG Issues That Were Considered		Definition
Environmental	1. Energy Efficiency	Efficiency of energy usage (i.e. electricity consumption).
	2. Water Effluents & Management	Water consumption and discharge.
	3. Pollution & Waste Management	Hazardous and non-hazardous waste disposal treatment.
	4. Environmental Compliance	Adherence to relevant environmental laws and guidelines.
	5. Climate Change	Impact on climate change and biodiversity as well as the mitigating efforts.
	6. Biodiversity	
Social	7. Labour Practices/Welfare	Commitment to fair employment practices, upholding of human rights principles and investing in our people.
	8. Forced Labour	
	9. Equality & Diversity	
	10. Product & Services Responsibility/Liability	Aspects of our products & services that directly affect customers, namely, quality, health and safety, wellbeing, information and labelling, marketing, and privacy.
	11. Data Privacy & Protection	
	12. Health, Safety & Security	
	13. Supply Chain Management	Resiliency and significant social impacts observed or assessed in our supply chain.
	14. Innovation	Continual effort to improve product excellence through innovation and technology.
Governance	15. Corporate Responsibility	Responsibility to environment and communities where we operate in.
	16. Anti-Corruption & Anti-Fraud	How we guard against corruption, bribery and fraud.
	17. Shareholder rights	Balancing the interests of the Company's stakeholders, such as shareholders, senior management executive/non-executive etc., measurement and corporate disclosure.
	18. Board Diversity	
	19. Cybersecurity	Application of technologies, processes and controls to protect systems, networks, programmes, devices and data from cyberattacks.

SUSTAINING GROWTH

ENVIRONMENTAL MANAGEMENT

Environmental sustainability forms an integral part of the Group's sustainability philosophy. We endeavour to integrate the best sustainability practices and compliance across business operations to reduce adverse environmental impact on the ecosystem. In our daily operations, the Group continues to be committed on recycling, energy-saving practices and undertaking measures to reduce wastages, pollution and harmful emissions.

ASB is committed and strive to improve resource efficiency and reduce our environmental impact. We continue to factor in environmental considerations in our businesses.

ENVIRONMENTAL MANAGEMENT (continued)

Our Going Green campaign at our hotels aims to contribute to the preservation of natural resources and environment by focusing on energy conservation, waste management, responsible purchases and landscaping.

Our hotels work with all stakeholders to promote and implement responsible environmental practices. Both Holiday Villa Beach Resort & Spa Cherating and Holiday Villa Beach Resort & Spa Langkawi performed environmental impact assessments before the hotels embarked on any development or improvement. To reduce environment impact, including climate change, we use renewable energy and garbage enzymes made out of fruit peels and vegetables as cleaning agent, minimise the usage of plastic straws, cups, boxes, cutlery and other F&B materials by gradual introduction of paper or biodegradable options, unfinished toiletries are not replaced with the new ones in existing guest rooms, other bathroom amenities are provided only upon request by hotel guests. In addition, all guest rooms are provided with bottled reverse osmosis waters instead of individual plastic bottled waters. The hospitality division also has its own environmental policy in place with the systems that set annual improvement targets to monitor energy consumption, water consumption and waste production. Our hospitality division recognises that resource conservation, biodiversity and pollution prevention are key to a sustainable environment, and will continue to effectively integrate these concepts into our business decision-making. The division subscribes to products that are labelled as complying with "good manufacturing practices" and participated in Fortnightly Trash Hero Programme.

Our bus-body fabrication unit has a built-in monitoring system on waste production and disposal. The Group ensures that waste materials are deposited at designated environmentally safe areas and disposed off periodically by licensed waste disposal contractors.

Commitments & Targets

- Continue to improve the environmental management systems of key business units to meet the requirements of the ISO 14001 standard.
- Continue to explore solutions that minimise environmental impact.
- Install or maintain energy efficient equipment and devices at our facilities whenever possible, including LED lights and more energy-efficient cooling solutions.

ENVIRONMENTAL MANAGEMENT (continued)

As for our F&B unit, we ensure used cooking oils are stored in non-flammable containers before disposing them to the recognised oil waste disposal vendor regularly.

For businesses with operations that are concentrated in offices such as our ICT and travel and tours divisions, the impact on the environment is relatively limited and confined largely to resource and energy efficiency such as encouraging staff to be environmentally-conscious by promoting paperless administration and operational practices to reduce paper usage.

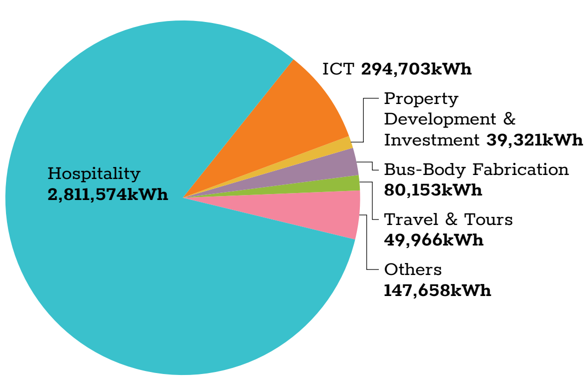
Energy Efficiency

The Group's energy demand comprises a mix of direct and indirect sources of energy. In 2021, the Group consumed about 2,668,915 kWh of energy.

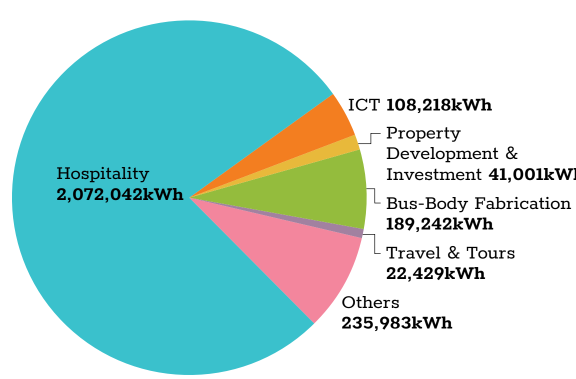
Our electricity consumption has seen a significant reduction in 2021 compared to the previous year as a result of energy-saving initiatives, measures arising from COVID-19 pandemic such as work from home and closure of offices/hotels and reduction in business activities due to the pandemic.

ESG Issues	2020	2021
Total electricity consumption (kWh)	3,423,375	2,668,915

2020



2021



Hospitality division reported the highest reduction in the electricity consumption due to closure of hotel business during lockdown period following COVID-19 pandemic and low occupancy due to the various travel restrictions imposed on domestic and international travels.

ENVIRONMENTAL MANAGEMENT (continued)

Energy Efficiency (continued)

The increase in the electricity consumption of the bus-body fabrication unit was mainly due to higher level of activities while the increase under others division in 2021 was due to inclusion of the new F&B business unit which commenced its operation during financial year 2021.

Water Consumption

Water is a precious resource. The Group continues to strengthen its water conservation efforts through initiatives like promoting water-saving practices, adopting water-efficient technologies and equipment as well as implementing process improvements.

Given that the business operations of most of our divisions are concentrated in normal office spaces, the level of water consumption is relatively limited, except for hospitality division. In 2021, the total consumption by our Group was approximately 117,893 cubic metres (m3) of water as compared to approximately 146,837 cubic metres (m3) in 2020 mainly due to significant reduction in water consumption by our hospitality division resulting from closure of hotel business and low occupancy as explained above.

Environmental Compliance

ASB remains committed to comply with all applicable legal requirements enforced by local governing authorities and relevant enforcers. The Group's operations continue to conform to local environmental laws and regulations. All employees of the Group and that of contractors and consultants are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

The environmental regulations that we comply include among others the requirements listed below in Table 1.

Compliance
Environmental Quality Act 1974 (and its Amendments)
Environmental Quality (Scheduled Wastes) Regulations 2005
Environmental Quality (Sewage) Regulations 2009
Environmental Quality (Clean Air) Regulations 2014
Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015
Guidelines from Natural Resources and Environment Board (Sarawak)
Land Conservation Act 1960

Table 1. Environmental Compliance Requirements in Malaysia

During the reporting period, there were no incidents of non-compliance and penalties pertaining to environmental-related issues. To maintain the highest standard of environmental compliance and to prevent future occurrence of incidence, the Management will continue to review and improve the current environmental management system and practices and ensure that all our activities and operations comply with existing regulatory requirements.

PRODUCT EXCELLENCE

We believe that our financial viability hinges on customer satisfaction and our ability to meet customer demand for our products and services. Our business divisions remain committed to execution excellence and building enduring relationships with not only our customers but key stakeholders in our value chain.

Customers of our financial services unit may lodge a complaint through the telephone call, email and company's website and the unit will act on such complaint within 3 working days. Merchants or customers will be notified immediately upon any transaction failures. Regular customer satisfaction survey will be conducted on selected merchants as part of its key initiatives undertaken to maintain/ improve customer service/ customer relationship.

Our ICT division has a 24-hour customer careline for customers to lodge feedbacks on service issue. Feedbacks from customers including complaints are documented for future improvement and development of products and services.

Our hospitality division strives to be known for its good value hospitality and is committed to superior customer services and well-being of their guests. The following are some of the existing commitments made by our hospitality division:

In their quest to deliver superior quality products and services to their customers and comply with applicable legal requirements, the hospitality division has in place its very own MANJA Programme, a quality management system focusing on the service standards, work processes, job instructions and the standard operating procedure ("SOP") for all aspects of the hotel operations. Besides, the division also obtained accreditations such as "Clean & Safe Malaysian-Hygiene and Safety Label" from Bureau Veritas and "COVID-19 SOP and Travel Quality Best Practices" from Tourism Malaysia.

The hospitality, education and financial services divisions are also building their technology capabilities to provide customised, improved and value-added products and services to be more competitive in the digital era. Meanwhile, our F&B unit performs regular research and development ("R&D"), foods testing, review of supply chain in order to maintain commitment to quality.

Commitments & Targets

- Continue to improve product excellence through innovation and technology.
- Continue to maintain a high level of customer satisfaction across our businesses.

SUPPLY CHAIN MANAGEMENT

The Group continues to support local businesses by procuring from suppliers and contracting services locally. We believe that a strong local supply chain through a productive partnership is vital to the growth of our business.

By such support, we believe that we can positively contribute to the local economy. We select partners who share our work ethics and values and who are willing to provide quality products and services in a responsible manner.

In cases where local suppliers are not suitable, we will source internationally. Where outsourcing is practised, we will ensure that the products conform to our sustainable policies and are labelled with “good manufacturing practices”. To mitigate supply chain disruption, our business divisions will have periodic review meetings with active suppliers/vendors besides having alternative and/or multiple suppliers/vendors.

We believe the Group’s long-term business is built mainly on the trust and confidence of customers. Therefore, feedbacks from customers such as customer satisfaction ratings and customer complaints are documented for future improvement on the development of products and services.

REGULATORY COMPLIANCE

Given the geographical diversity of our businesses, we closely monitor developments in the laws and regulations of countries where the Group operates to ensure that our businesses and operations comply with all relevant laws and regulations.

All our key employees affirm their understanding of the code of business conduct. We regularly engage with local government authorities and agencies to keep abreast of changes to laws and regulations.

We recognise that non-compliance with laws and regulations not only has a significant financial impact but potentially detrimental reputational impact on the Group. To manage and track compliance issues, the Group appoints compliance officers and conducts internal audits.

Commitments & Targets

- We are fully committed to strengthening our regulatory compliance framework. Our emphasis is clear and consistently reiterated. We have zero-tolerance for fraud, bribery, corruption and violation of laws and regulations.
- The Group unit has a set of policy and guidelines that spells out the responsibilities of employees in observing and upholding the company’s ‘zero tolerance’ position against all forms of corruption, bribery and exhortation. Periodic training/refresher sessions on anti-corruption, bribery, extortion, and money laundering are conducted for staff of our financial services business units.
- The Group continues to work towards a full compliant culture.

REGULATORY COMPLIANCE (continued)

The Audit Committee, assisted by internal auditors, supports the Board in its oversight of regulatory compliance and is responsible for driving the Group's focus on implementing effective compliance and governance systems. At the operational level, the respective business divisions and departments are responsible to identify, self-assess the adequacy and effectiveness of mitigating measures, and manage their financial, operational, compliance and reputational related risks.

See Governance on pages 74 to 80 of the Annual Report.
See Risk Management on pages 44 to 55 of the Annual Report.

EMPOWERING LIVES

LABOUR PRACTICES & HUMAN RIGHTS

Our employees are one of our most valuable assets. We are committed to fair employment practices, uphold human rights principles and invest in developing and training our people. At the Group, we strive to foster an inclusive and performance-driven work environment to attract, retain and develop our talents. We are an equal opportunity employer and have instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference or prejudice towards religion, age, ethnicity, race, physical disability or gender. Employees are required to observe and adhere to all relevant Group policies and practices. As at 31 December 2021, the Group has a total number of 541 employees. Staff turnover has been maintained below the target rate.

We continue to engage our workforce and implement initiatives to achieve our long-term goal of improving collaboration and workplace innovation. Employee engagement initiatives are organised throughout the year to forge stronger bonds among employees and enhance communication between management and staff.

Commitments & Targets

- Continue to promote diversity and equal opportunity in the workplace.
- Further develop our workforce through tech-enabled and self-paced training programmes.

Learning & Development

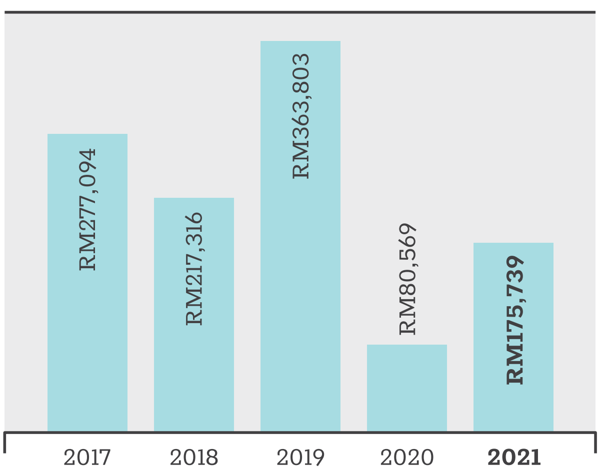
In a rapidly evolving industry, continuous learning is essential to ensure our Group implements the latest practices and technologies and to address key gaps in employees' behaviour, technical and functional skills/knowledge. To encourage and support our employees to develop their fullest potential and have a fulfilling career, the Group places priority on learning and development programmes. Our learning and development roadmap also accounts for future skills required to improve the efficiency of the business. We customise and design training and development activities based on employees' training needs and work requirements.

LABOUR PRACTICES & HUMAN RIGHTS (continued)

Learning & Development (continued)

During the financial year ended 31 December 2021, the Group spent close to RM175,740 on training across all our subsidiaries (2020: RM80,570).

Total amount invested in employee learning and development since year 2017 until 2021 is as follows:



The major increase of about RM107,187 under ICT division was mainly to improve staff qualities and competencies/efficiency as well as to procure specific knowledge required by specific projects.

In 2021, our bus-body fabrication unit provided various types of training to enhance the skills and knowledge of employees and amongst others, the following are the 4 training courses:

- Complying with the Guideline For The Reporting Framework For Beneficial Ownership of Legal Persons;
- MIDA Tax Exemption Under Section 14(2) Customs Act 1967 & Related SST Rules;
- Induksi Kepada Jawatankuasa OSHA untuk Pengurusan Dokumen Keselamatan dan Kesihatan Pekerjaan; and
- ISO 9001 : 2015 Internal Auditor Training.

The Board takes appropriate action such as attending training to ensure they stay abreast with and understand the sustainability issues relevant to the Group and its business which may include topics relating to climate-related risks and opportunities. During 2021, training attended by the directors, senior management and/or employees of the Group include among others the following:

- Accelerating Transitions to Sustainable Business Models after COVID-19;
- AOB Conversation with Audit Committee;
- Baker Tilly Tax & Budget;
- Business Transformation Post Covid;
- Climate Change Risk and ESG Reporting;
- Digital Disruption : Digital Transformation Strategies;
- Education and Research in the COVID-19 Era;
- Empowering Learners for the Age of AI;
- Environmental, Social and Governance — Making Sense of the Madness;
- Finovate Asia Digital;
- Food Handler Training;
- How to Create and Rejuvenate What Matters Most;
- Implementing Amendments in the Malaysian Code on Corporate Governance;
- Important Updates on Transfer Pricing Requirements in Malaysia;
- New Retail : The Beginning of Endless Disruption;
- People Insights Using AI : Narrative Analytics for People Management;
- Policies That Succeed in Pandemic Times;
- Rolling out and Scaling Agile Methods (More) Successfully;
- Tax Audit and Tax Investigation : Checkmate for Tax Payers;
- The Disrupted Labor : Lifelong Learning Revolution;
- Thriving After a Crisis; and
- Wild Digital Southeast Asia 2021.

LABOUR PRACTICES & HUMAN RIGHTS (continued)

Learning & Development (continued)

Besides external training, the Group had organised the following in-house training attended by our Board members and key management from all divisions in relation to:

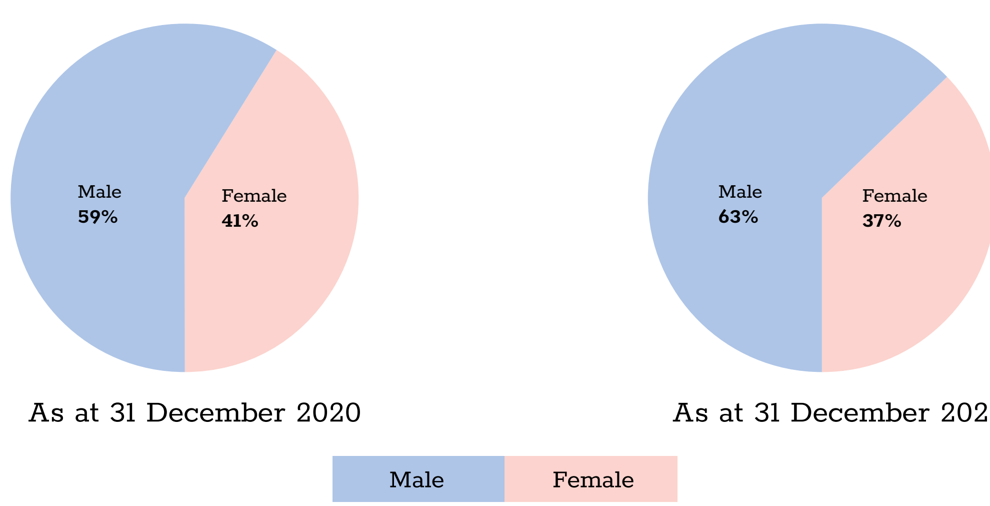
- Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT");
- IFCA PMS;
- New Policies Briefing on Access Control Policy, Employee Onboarding and Employee Exit Policy, Change Management Policy, Crisis Management Plan & Breach of Notification Policy, Incident Management Policy, Information Security Policy, Network Security Policy, Software Development Policy; and
- Productivity Enhancement Initiatives.

Since the beginning of COVID-19 pandemic, most of our training for staff are conducted online and are provided free by our partners or authorities. The Group will continue to provide training and education opportunities through comprehensive development programmes and promote a conducive corporate environment where everyone can achieve their potential.

Workforce Diversity & Inclusion

We believe that people should have access to the same opportunities regardless of their ethnicity, religion, gender, marital status or age. We value diversity and inclusion and are committed to the principle of equal employment opportunity. Our hiring policies ensure equal employment opportunities for all. New hires are considered based on individual competencies as well as organisational requirements and job fit. Our employment statistics illustrate the following diversity of our workforce. As at 31 December 2021, 37% of our employees are female compared to 41% as at 31 December 2020.

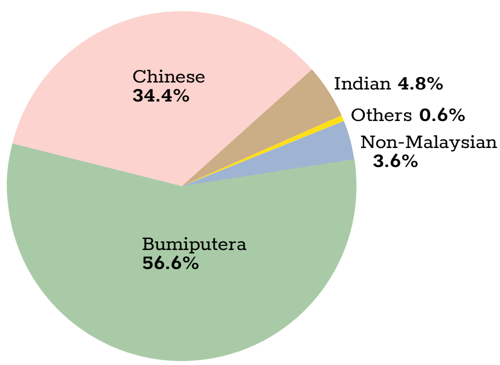
Embracing Diversity In Workforce



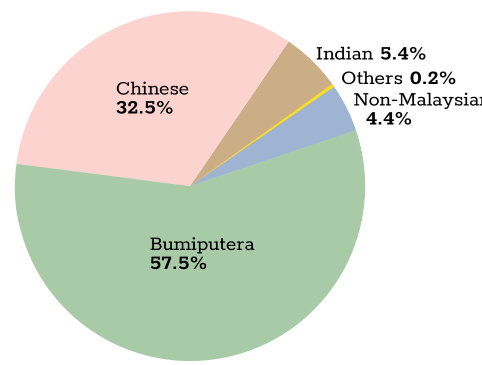
LABOUR PRACTICES & HUMAN RIGHTS (continued)

Workforce Diversity & Inclusion (continued)

Embracing Diversity In Workforce (continued)



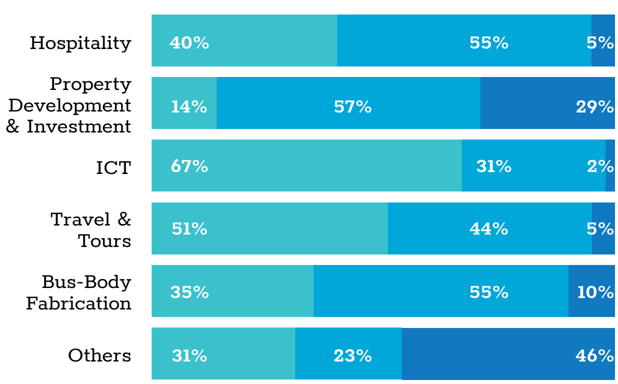
As at 31 December 2020



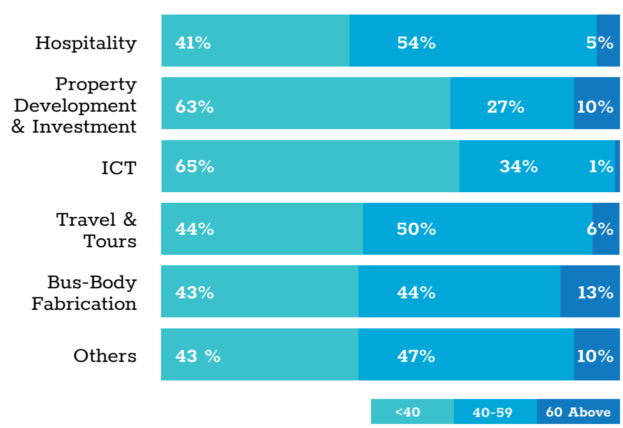
As at 31 December 2021

Bumiputera | Chinese | Indian | Others | Non-Malaysian

Distribution by Division & Age (%)

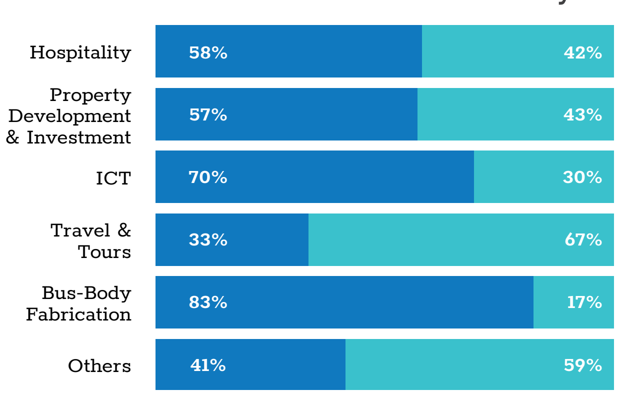


As at 31 December 2020

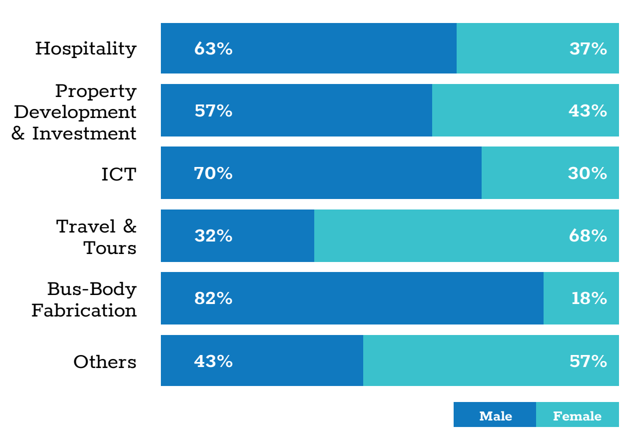


As at 31 December 2021

Distribution by Division & Gender (%)



As at 31 December 2020



As at 31 December 2021

LABOUR PRACTICES & HUMAN RIGHTS (continued)

Workforce Diversity & Inclusion (continued)

The Group believes that hiring from local communities enhances our ability to understand local needs and strengthen our capabilities on the ground. The Group offers graduate placement programmes, industrial training and internship in our hospitality, bus-body fabrication as well as ICT divisions.

Code of Business Conduct and Ethics

We maintain a zero-tolerance for unethical labour practices such as child labour, forced labour, slavery and human trafficking in all our operations. All employees are required to conduct business dealings in line with our Code of Business Conduct and Ethics Policy. We encourage declaration of conflict of interest on an annual basis as a preventive safeguard for fair dealings and transparent business relationships.

To ensure that our internal practices and processes are in adherence and alignment with these latest developments, we took active steps to strengthen our internal processes and practices and adopts a ‘zero-tolerance approach’ towards any form of anti-corruption including stepping up awareness, education and training programmes on anti-corruption, i.e. bribery, fraud, embezzlement and so forth. During the year, the Group continues in implementing the Group Anti-Bribery and Anti-Corruption Framework and Policy and aligned with the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 as well as the Group Directors Conflict of Interest Policy & Procedures and Group Governance Framework pursuant to the guidelines issued by the Securities Commission Malaysia. In tandem, the Group has implemented a whistleblowing policy and procedure to provide an avenue and platform for all personnel, employees, agents and/or third parties to disclose any acts of bribery and/or corruption in a confidential manner that protects the whistleblower from any risk of reprisal.

Compliance with Applicable Employment Laws & Regulations

During the year under review, the applicable employment laws and legislations include among others the requirements as set out in Table 2 below.

Compliance
Employment Act 1955
Industrial Relations Act 1967
Trade Union Ordinance 1959
Code of Industrial Harmony, Malaysia 1975
Minimum Wage Order 2012
Personal Data Protection Act 2010
Pembangunan Sumber Manusia Berhad Act 2001

Table 2. Employment Compliance Requirements in Malaysia

LABOUR PRACTICES & HUMAN RIGHTS (continued)

Compliance with Applicable Employment Laws & Regulations (continued)

The Group strives to continuously cultivate a transparent and inclusive environment for all employees, as well as to ensure a top-down approach to promote fair and ethical business dealings. We also have an open-door policy whereby employees are encouraged to speak up or report grievances directly to their superior, head of department, human resource department, their business unit chief executive officer, group executive director and/or independent directors of the Company. This is to reinforce our commitment to our employees to provide them with a workplace that is healthy, safe and secure.

HEALTH & SAFETY MANAGEMENT

The Group remains committed to maintaining a safe and productive environment, free from harassment in which all individuals are treated with respect and dignity and we expect all our employees and individuals who work at our sites to follow our health and safety policies and procedures and be free from substance abuse at all times.

Our employees and partners are assured of a safe working environment through our Health & Safety and Environment Management system ("HSEMS"). While the HSEMS serves as a point of reference, additional measures have been taken to cultivate a safety-first culture through various initiatives at our corporate office.

Processes and systems are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our contractors and subcontractors to ensure that they understand our requirements and expectations.

- In order to ensure our employees are practising safe workplace practices and taking the necessary safety precautions, we provide relevant training programmes conducted internally and through external parties. Safety training programmes are being conducted every year by our bus-body fabrication unit. In the year 2021, the unit conducted the training programme, "Induksi Kepada Jawatankuasa OSHA untuk Pengurusan Dokumen Keselamatan dan Keshihatan Pekerjaan".

HEALTH & SAFETY MANAGEMENT (continued)

During the year, our hospitality division conducted safety training programmes which include among others, the following:

- Devoted to Your Well-Being Programme;
- Fire fighting / ERT;
- Food Handlers Safety Programme;
- Handling of COVID-19 Situation; and
- Hotel Risk Management.

To safeguard the health and safety of our employees, the Group regularly conducts fogging and housekeeping activities and fire drills at its premises and practises the SOP set by Ministry of Health for prevention of COVID-19. In 2021, there was no incidence of fatalities across the Group's operations, save for 1 incident under the hospitality division due to contraction of COVID-19.

Commitments & Targets

- Strive to raise awareness, maintain vigilance and foster a strong health and safety environment centric culture across the Group and particularly at the ground level.
- Maintain a zero-tolerance to unhealthy and unsafe practices.
- Leverage technology to drive improvements in safety performance.

We have a Health and Safety Committee to ensure that the Group complies with the Occupational Safety and Health Act, 1994. The Group strives to maintaining its health and safety standards and driving continuous improvement in our operational health and safety performance.

Our hospitality division has set a quantifiable target relating to employee occupational health and safety where it is compulsory for its employees to attend occupational health and safety training programmes. Besides, the division implemented stay safe programmes as health and safety is an important criteria for travellers. The staff are trained in demonstrating, explaining and illustrating to the guests the steps being carried out for their well-being.

To ensure construction safety at the project sites, our tender process and award of contracts to contractors incorporate the required compliance to Malaysia's safety at-work legislation. With regard to workers employed at the construction sites, our main contractors are obligated to comply with all safety, health and welfare regulations pertaining to them.

In 2021, both the Lost Time Injury and Lost Time Accident at Group level were zero. The Group strives to continue to maintain its health and safety standards and drive continuous improvement in our occupational, health and safety performance.

Cybersecurity

With increasing use of technology, the Group may be exposed to increased cyber risk such as risk relating to data breaches, and sabotage on information processing and information technology system. Such cyber risks can lead to the commercial losses and negative effect on the Group's businesses. Therefore, the Group strategises to be resilient against cyber risk by educating its staff on cyber risk and creating a cyber security culture. Assessment of the cyber risk/ threat landscape is followed by risk mitigation planning based on the Group's risk appetite and implementation of a proactive approach to manage any cyber breach before, during and after it occurs. This is to ensure that critical infrastructure is protected to a level that commensurate with the risks.

COVID-19 Pandemic

The COVID-19 pandemic continues to affect many countries in the Company's regions of focus, though certain territories have relaxed movement and travel restrictions. Employee well-being and safety has always been one of our top priorities. The COVID-19 pandemic has reinforced the importance of ensuring the safety and well-being of our employees. The Group has taken an active and measured approach to manage COVID-19 risks to protect our people and assets, and will sustain these efforts until the pandemic resolves.

During the year, the Group extensively reviewed the assessment of the risk and intensified mitigation controls in order to ensure that the unwanted effects were minimised. Guided by the National Security Council, we adapted our working SOP to minimise exposure of our employees to the COVID-19, the controls include amongst others, preparing staff and increasing awareness on prevention, health and safety measures and where possible, staff were encouraged to conduct discussions or meetings via online virtual meeting room, and for clients, we maintained constant communication to keep them abreast of the developments in Malaysia – in this instance, our travel and tours division was actively assisting clients in their travel plan changes and updating and monitoring travel restrictions, warnings and alerts from various countries and the World Health Organisation.

Our hospitality division has evolved certain elements of their operational strategy to ensure they can safely continue to uphold the legacy of offering the highest level of personalised service with the aim to protect the well-being of guests and team members through the prevention of COVID-19. Our hotels implemented enhanced processes and procedures to create a happy and safe environment where guests can enjoy, including physical distancing guidelines, heightened cleanliness standards, frequent disinfection of public spaces and increased sanitisation of high-touch areas and the implementation of in-depth response plans. All precautionary measures have been taken to prevent the spread of COVID-19. Guests will also enjoy the option of contactless inroom dining instead of having their meals at the hotel restaurants.

COVID-19 Pandemic (continued)

To provide a comprehensive overview of the enhanced procedures, team members of all hotels and resorts have undergone intensified efforts of training and re-training on extensive wellness, hygiene and sanitation practices to face this new normal.

The Group remains committed to closely monitoring the effects of the pandemic and to minimise its impact on our people.

NURTURING COMMUNITIES

CORPORATE SOCIAL RESPONSIBILITY

Support initiatives to promote the social development of local communities where we operate

ASB is committed to uphold and to honour our social obligations by contributing to the economic and social wellbeing of every community in which we operate. We also believe in the importance of providing opportunities especially to the younger generation, for the betterment of our society.

The Group participates in the ACHIEVE Corporate Social Responsibility ("CSR") Programme ("ACHIEVE") which aims to pool and focus the efforts and resources of the Group with likeminded corporations that share the common desire to support and implement meaningful CSR activities. The ACHIEVE Committee was formed with representatives from various divisions of our Group participating as committee members, to spearhead CSR activities via synergy collaboration with identified organisations. In our yearly programmes, our hospitality division participates in various community projects for the unfortunate, such as, contributing either financially or in-kind to various non-profit organisations, orphanage homes and underprivileged families.

Remaining eco-friendly in our daily operations

We recognise the importance of good environmental management or preservation practices to minimise disruption to the environment in the communities we operate in to sustain growth. In our daily operations, the Group continues to be committed on recycling, energy-saving practices and undertaking measures to reduce wastages, pollution and harmful emissions. We shall continue to expand and adopt our sustainable environment management practices and efforts in our business operations and strive to influence that of stakeholders in our value chain.

Risk Management

The Board is **responsible for establishing the framework** for the Group's Risk Management Committee ("RMC") to operate effectively. The risk management framework includes risk assessment, response, communication and governance as key components to provide a comprehensive and proactive approach in managing risks. The framework is set in place to identify the optimum operating condition to achieve the Group's strategic objective as well as to provide reasonable assurance that internal controls are effective.

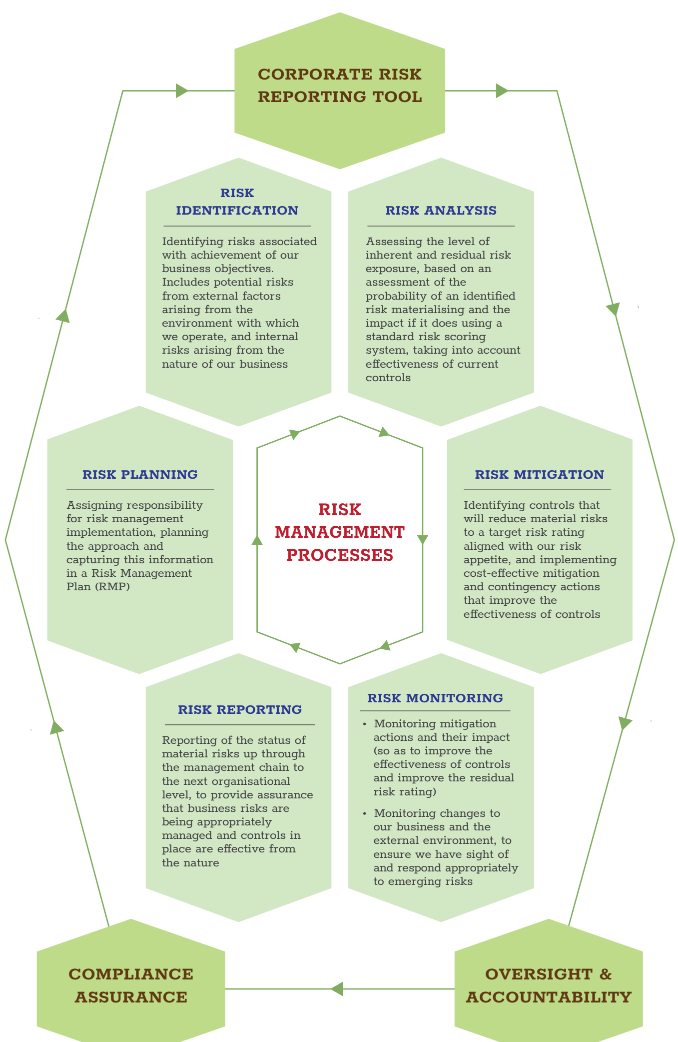


Diagram 1: Risk Management Process

IDENTIFYING AND MANAGING RISK

The management of risk is embedded in our culture and it is the responsibility of each employee to ensure that this culture is built into our working practices. Specifically, day-to-day management of risk is delegated by the Board to senior executives across each subsidiary, through appropriate committees, systems and controls. However, the Board provides direction by determining and setting the risk appetite.

Whilst encouraging an entrepreneurial and commercial culture that is focused on generating value for our clients, the Board actively seeks to ensure all relevant risk exposures are managed and mitigated. Note 37(b) to the financial statements describes how the Group manages the financial risks faced in the normal course of business. The Board receives input from other key committees along with the framework employed by the Group to effectively manage risks. The risk management framework covers 6 broad processes as illustrated in Diagram 1 with corporate risk reporting tool, oversight and accountability and compliance assurance.

IDENTIFYING AND MANAGING RISK (continued)

We are subjected to the same general risks as many other businesses; for example, changes in general economic conditions, currency and interest rate fluctuations, changes in taxation legislation, cybersecurity breaches, cost fluctuations of raw materials, impact of competition, political instability, pandemic and natural disasters.

For the purpose of this Statement, the Group means the Company and its subsidiaries, excluding its joint ventures and associate companies. This Statement does not cover the joint ventures and associate companies as the Company does not have full control over the operations, management and internal control system of these companies. However, we may have board representation on the boards of these companies.

OUR RISK STRATEGY

The Board is responsible for establishing the framework for the Group's RMC to operate effectively. This risk management framework includes risk assessment, response, communication and governance as key components to provide a comprehensive and proactive approach in managing risks. The Board is also responsible for ensuring that appropriate and proportionate resources are allocated to risk management activities.

OUR RISK MANAGEMENT FRAMEWORK

Under the RMC, we have a structured risk management framework throughout the Group. This includes a standard set of risk categories, generic risk descriptions and scoring methodology, together with a process to analyse and manage risk. All our subsidiaries use this framework to identify and document their specific risks.

We rank risks in a Risk Register by combining their economic, operational or environmental impact and the likelihood that they may occur. We do this both before and after we identify the controls in place to mitigate each risk. Those risks that pose the greatest threat to our business and score the highest are identified as key risks. All our people are responsible for managing risk. By using a common framework, we are able to view risk from both a top-down and bottom-up perspective and so ensure it is considered and managed at every level of our business.

Guided by this framework, management of subsidiary companies would include discussion matters pertaining to the identified risks associated to their related industry into their regular management meetings in order to have a farsighted view on emerging risk over the horizon. This would help the respective subsidiary management to come to the best decision based on not just internal factors but also external factors influencing their achievement of business goals and objective.

On quarterly basis, the Group Risk Management Unit would meet each subsidiary management for a Risk Review Meeting to discuss and review previously identified risks and verify whether any possible crystalisation of risk arising from day-to-day operational activities are addressed accordingly. This exercise which is done on a consistent basis, are a valuable exchange on ideas both ways; understanding the requirements from subsidiary management and at the same time communicating the direction of the Group with regard to risk management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE OR SUSTAINABILITY ("ESG") ISSUES

In anticipation of the emerging revitalised market after the global pandemic, management shall continue to refine its approach to adapt to changing business and sustainability landscape and we aim to position ourselves ahead by embracing and addressing our social responsibility and aligning our directions with a value ecosystem which will benefit not just the Group alone, but also all across its sphere of influence such as its human capital, the local community and stakeholders alike.

We will continue to use a comprehensive materiality assessment to identify priority areas and set forth initiatives to advance our development in the ESG areas to drive our efforts ahead in a more integrated and holistic manner where ESG risks and considerations are integrated to the Group's risk registers and overall risk management framework.

Moving forward, our collection of risk registers at subsidiary level which are related to ESG focus areas will be highlighted and realigned to integrate with the Group's materiality assessment process, and will be further refined towards the objective of the Group's sustainability goals.

With that in place, we aim to achieve a comprehensive and practical approach to managing risk at the operational level equipped with specific mitigation controls and at the same time aims to achieve strategic goals set out at the Group level for sustainability. Diagram 2 illustrates the Group's ESG focus areas.

Social

The Group's impact on its community, suppliers, stakeholders and the social systems within which it operates.

Environment

The Group's impact on the ecosystem and areas of focus include addressing issues relating to energy consumption, waste, pollution, harmful emissions and environmental compliance.

Governance

The Group's commitment and policy to adhere to all compliance requirements and the principle of honesty and transparency in our business conduct.

Diagram 2: Group's ESG Issues Risk Focus Areas.

OUR KEY RISKS

Risks affect every area of our business. Their nature and potential impact changes constantly but through our regular reviews, we identify risks that could impact our strategy and allow us to set up controls to mitigate their effects.

We categorise our risks into the following areas:

- **Strategic** risks that could prevent us from achieving our strategic objectives.
- **Operational** risks which, if not successfully managed, would threaten our viability. These relate to our ability to operate a sustainable and safe business.

OUR KEY RISKS (continued)

We categorise our risks into the following areas: (continued)

- **Financial** risks relating to the funding and fiscal security of the Group.

- **Compliance** risks which could affect our compliance with regulations and law and/or our licences to operate the business.

We have listed below the key risks that may affect our business, although there are other risks that may occur and impact the Group's performance.

Strategic risks	Strategy for risk management
Conditions in the global economy, economic fluctuations, volatility and cyclicality of market and outbreak of diseases or pandemic may adversely affect the results of the Group.	The Group maintains a balanced portfolio of products serving a wide range of end markets around the globe. Segment performance at the business unit level is closely monitored and corrective actions are taken as necessary. For external factor risks which are beyond the control of management, the focus will be on identification, close monitoring and action plans to mitigate the impact. With continuous and steadfast risk management practices, we are confident in gearing our Group towards more sustainable solutions and growth.
The markets in which the Group operates are highly competitive and the Group may lose market share to other competitors.	The Group continues to invest in existing and new products through R&D. The Group continues to invest in new facilities to allow the Group to maintain its key market positions. The Group strengthens its regional position and growth through alliances and collaborations. The Group operates quality management systems, such as The International Organisation for Standardisation ("ISO") and Australian Design Rules for our bus-body fabrication unit, to ensure products meet customers' agreed standards. The Group maintains a strong and good working relationship with our suppliers and customers to ensure support and regular customer feedback to enhance our products and services.
The Group's strategic plan involves significant change management including cost-effective reforms, joint ventures and tie up with foreign parties to enhance market positions and provide new technologies.	Strategic projects are managed in a structured framework which includes formal identification of risks. The Group has extensive experience in change management and making use of external specialist advice as required.

OUR KEY RISKS (continued)

Strategic risks (continued)	**Strategy for risk management** (continued)
The ability of the Group to compete is highly dependent on its ability to develop technological innovations, introduce new products and protect its intellectual property, trade secrets and know-how.	The Group continues to invest in existing and new technologies through R&D.
The ongoing success of the Group is dependent on attracting and retaining high quality senior management and staff who can effectively manage the Group's operations.	The Group offers competitive compensation packages with annual bonus and long-term incentive arrangements for key employees. Appropriate notice periods and non-compete clauses are used to mitigate short-term risk for key positions.
As a multi-national enterprise, the Group could suffer losses of intellectual property and other assets through theft or fraud which could be significant.	The Group maintains controls both to detect and prevent theft and fraud as appropriate to the nature of the risk.

Operational risk	**Strategy for risk management**
Occupational safety and health risk is the failure in ensuring the safety, health and welfare of people at work as well as protecting other people from the safety and health hazards arising from business activities.	The Group has in place Occupational Safety and Health Act ("OSHA") standards applicable to the bus-body fabrication and hospitality divisions as our uncompromising pledge towards excellence and industry recognition. The Group has in place a group-wide operational assessment on the safety and health at the workplace. This plays a crucial role in ensuring a safe working environment to protect the employees. Such practices will mitigate the risk by containing the spread of the virus/diseases at workplace and reduce hazards at workplace. Different human capital strategies were devised in order to ensure safety, among others are work from home, shift rotations and alternate leaves, and other measures in compliance to the regulations such as the National Security Council's SOP.
The failure of the Group to procure key raw materials may lead to production interruptions, and volatility in the prices of such raw materials and energy prices may adversely affect the profitability of the Group and its working capital position.	Sourcing strategies are in place Groupwide to access multiple sources for key raw materials and the Group works closely with key suppliers to ensure availability. The Group looks to identify alternative raw materials where possible. The Group actively manages margins and recovers input cost increases from customers. The Group implements measures for proactive cost management, streamlining of production process and high impact cost and efficiency awareness for all its employees.

OUR KEY RISKS (continued)

Operational risk (continued)	**Strategy for risk management** (continued)
The failure or loss of a key production asset, manpower, process, information or communication system, whether temporarily or permanently could occur, directly or otherwise, through natural disasters, epidemic, industrial action, sabotage or the like, and would have an adverse impact on operations.	Crisis management procedures are in place for all subsidiaries. These are reviewed and updated regularly. The Group invests in its infrastructure to ensure appropriate levels of resilience in the event of temporary failures in IT systems. Backups and disaster recovery plans are in place for critical systems and processes.
With increasing use of technology, the Group may be exposed to increased cyber risk such as risk relating to data breaches, and sabotage on information processing and information technology system. Such cyber risks can lead to the commercial losses and negative effect on the Group's businesses.	The Group strategises to be resilient against cyber risk by educating its staff on cyber risk and creating a cyber security culture. Assessment of the cyber risk/threat landscape is followed by risk mitigation planning based on the Group's risk appetite and implementation of a proactive approach to manage any cyber breach before, during and after it occurs. This is to ensure that critical infrastructure is protected to a level that commensurate with the risks.

Compliance risk	**Strategy for risk management**
The Group may be liable for damages based on product liability claims brought against its customers in end-use markets.	Technically qualified personnel and control systems are in place to ensure products meet certification standards.
Compliance with extensive environmental, health and safety laws and regulations could require material expenditure, changes in the operations of the Group or site remediation.	Detailed safety, health and environmental processes are documented in operating guidance which is updated and communicated to staff on a regular basis. Our safety, health, and environmental risks are reviewed and considered in our risk management meetings by our respective Risk Management Unit.
The Group could suffer substantial penalties, damage to reputation and other sanctions for any failure to control anticompetitive behaviour, such as bribery and corruption, or ineffective compliance with local and national legislation.	All employees affirm their understanding of the code of business conduct covering corrupt and anticompetitive business practices. The Group has in place the Group Anti-Bribery and Anti-Corruption Framework and Policy. Malpractice reporting is similarly covered in the Group Whistleblowing Policy and Procedures on protecting our reputation. Training is provided regularly. Our Group constantly monitors new laws and regulations and assess the impact on our Group businesses. To manage and track compliance issues, the Group appoints compliance officers and conducts internal audits.

OUR KEY RISKS (continued)

Financial risks	Strategy for risk management
A significant proportion of the Group's turnover and assets are in currencies other than Ringgit Malaysia and fluctuations in currency exchange rates may significantly impact the results of the Group and may significantly affect the comparability of financial results between financial periods.	The Group has a policy of hedging all significant foreign exchange transactional exposure at the operating company level. There is also a natural hedging process at operating subsidiaries as they source their resources locally in countries where they operate.
The Group's balance sheet and cash flow, and also credit market conditions and credit ratings, may restrict the ability of the Group to obtain credit facilities or to refinance its existing debt facilities in the longer term. In addition, interest rate fluctuations and increases in bank lending margins may increase the Group's costs of borrowing.	The Group closely monitors its operating cash flow and capital expenditure on a monthly basis and regularly reviews covenant compliance. The Group has a policy on leverage limits and has adequate headroom on a twelve-month forecast basis. Interest rate risk is managed through the use of interest rate hedging by a combination of loans with fixed and variable interest rates and the tenure of the loans.

Below are some key areas which are continuously monitored by the Group in 2021:

1. **Epidemic Outbreak**

   With COVID-19 pandemic affecting all areas of business, the epidemic outbreak risk was in the highlight across the board. The Group extensively reviewed the assessment of the risk and intensified mitigation controls in order to ensure that the unwanted effects were minimised. Guided by the National Security Council, we adapted our working SOP to minimise exposure of our employees to the COVID-19. In such risk registers, the controls include amongst others, preparing staff and increasing awareness on prevention, health and safety measures and where possible, staff were encouraged to conduct discussions or meetings via online virtual meeting room, and for clients, we maintained constant communication to keep them abreast of the developments in Malaysia – in this instance, our travel and tours division was actively assisting clients in their travel plan changes and updating and monitoring travel restrictions, warnings and alerts from various countries and the World Health Organisation.

2. **Business Strategy Gap**

   Revisiting business strategy was the key focus of the Group following the outbreak of COVID-19 and considerations were made on how the Group can manage and deploy capital and resources efficiently to protect the Group's businesses and investments. This included review of existing and/or new products and services to ensure that the Group is able to meet future demands and internal controls to navigate future shocks. Maintaining close relationship with all our business partners remains prominent in this turbulent and uncertain economy.

OUR KEY RISKS (continued)

3. Increased Costs and Inefficiencies

In view of the significant impact of COVID-19 pandemic on the Group's results and the uncertainties in the months ahead, the Group took appropriate cost containment measures to cushion volatility in the revenue line while optimising the free cash-flow position. During the year, the Group regularly reviewed its operations to address any inefficiency that may exist in pockets of the operations and to redeploy resources, reengineer business processes and/or reorganise the workforce. With operations spanning multiple countries, the Group has cash and bank balances, receivables and payables denominated in foreign currencies hence the Group may be subjected to losses due to foreign exchange fluctuations and instances of foreign business downtime as a result of the pandemic. Without sufficient monitoring and management of our assets and liabilities denominated in foreign currencies, the Group would be incurring higher costs of operations due to the depreciation of currency value and delayed transactions that could lead to loss of market share against foreign competitors. The Group had taken all necessary actions to mitigate this risk with meticulous credit control and cash flow measures especially during this unprecedented COVID-19 pandemic year which resulted in uncertainties in various economic areas. In the review, the Group examined and monitored the controls which are in place to ensure that they are robust to mitigate the risk.

4. Revenue Gap

The Group's revenue was significantly impacted by the COVID-19 pandemic and thus the Group looked into reshaping the businesses and possibilities to further capitalise by enhancing existing products and/or deploying new products to stay relevant. The Group also continued to review factors which may affect the risk of revenue gap such as competition, economic slowdown and dependence on a few key customers and ensured that the controls put in place within the Group are effective. The assessment included whether to terminate the risk through cessation of business or discontinuation of nonperforming product lines or market segments.

5. Non-Compliance

Non-compliance is another key risk area reviewed as the Group operates in many countries and in regulated industries. During the year, the Group ensured compliance with SOP issued by the National Security Council.

6. Human Capital Gap

The Group's business especially those relating to hospitality, money services as well as travel and tours were significantly impacted by COVID-19 pandemic and consequently, some employees were affected by the risk of furlough and other short-term measures which had to be undertaken to save further jobs. Review was made focusing on addressing the risk of capacity and competency gaps to meet the Group's human capital requirements to minimise disruption and also accelerating on the methodology to enable remote working.

OTHER FOCUS OF THE GROUP DURING THE YEAR AND FOR THE COMING YEAR

The Group recognises the importance of compliance with laws, rules, regulations and guidelines particularly in corporate governance and corporate liability. In view of the Group's stance, the Group has implemented the Group Anti-Bribery and Anti-Corruption Framework and Policy and aligned with the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 as well as the Group Directors Conflict of Interest Policy and Procedures and Group Governance Framework pursuant to the guidelines issued by the Securities Commission Malaysia.

The Group expects its personnel to conduct themselves with high standard of honesty, integrity and accountability at all times in the performance of their duties and to ensure that all activities or services are conducted in compliance with the applicable laws, rules, regulations and guidelines. These policies and procedures provide a bird's-eye view of the Group corporate governance in place, thereby providing additional assurance to our shareholders and stakeholders knowing that the Group has sound governance and operating with integrity and transparency.

The Group also strengthened its whistleblowing policy by establishing ASB Group Whistleblowing Policy and Procedures across the board and to provide the necessary avenue and reporting channel for internal staff and external parties – summary of incident report will be tabled at the meetings of the RMC and the Whistleblowing Committee respectively for further actions.

In the coming year, the Group will also focus on ESG issues and considerations to integrate with its overall risk management framework and these include but not limited to the following:

Environmental – The Group targets to reduce the carbon footprint of our operations, steer our investments into ESG-led responsible consumption of raw materials and towards our production practices.

Governance – Leveraging on our unwavering policy towards transparency and honesty in our business conduct, we emphasise and sternly enforce the Group Anti-Bribery and Anti-Corruption Framework and Policy in conjunction with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. In tandem, we fully uphold ASB Group Whistleblowing Policy. The steps we have taken, among others, are a testimony of our Group in upholding our culture to the highest standard of governance, integrity and accountability.

Social – The Group provides an equal opportunity employment across the demographic of our community. The Group encourages and provides sufficient personal development and regular trainings to upskill its human capital resources.

INTERNAL CONTROL SYSTEM

The internal control system focuses on key financial reporting, operational and compliance controls. The system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with laws and regulations.

The processes applied in reviewing the adequacy and effectiveness of the Group's system of internal control include:

- The presence of the internal audit function that operated independently since 2004 and reporting to the Audit Committee. Each year, improvements are implemented to the internal audit reviews including its objectives, scope and procedures to enhance effectiveness;

- Rigorous review of the quarterly financial results and reports and evaluating the reasons for unusual variances noted thereof by the Board and Audit Committee;

- The Group Managing Director closely monitors the business and operations of the Group and reports to the Board on significant changes in the business and external environment which affect the operations of the Group at large; and

- The Board has in place an organisational structure with defined lines of responsibility, proper segregation of duties and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability. The procedures include the establishment of limits of authority and policies on health and safety, training and development, equality of opportunity, staff performance and serious misconduct.

INTERNAL AUDIT FUNCTION

The internal audit adopts a risk-based approach in developing its audit plan based on the Group's key risks profile. Internal audit plan and the scope of the internal audit are presented and approved by the Audit Committee on a yearly basis. The Group's internal audit function is performed by the Internal Auditors (outsourced) who are independent of the activities audited by them. The principal role of the internal audit function is to review the Group's operations, evaluating their efficiency, effectiveness and compliance with corporate policies, procedures, laws and regulations.

In 2021, the Internal Auditors executed the approved audit plan and performed the following:

- Internal controls review on most of the Group's operating units for operating processes relating to human resources, project management, software development and network operation centre.

- Compliance review on operating units which are required to comply with guidelines and acts issued by external regulatory bodies.

- Reviewed the control procedures taken by the management on recurrent related party transactions.

INTERNAL AUDIT FUNCTION (continued)

- Followed-up on the implementation of corrective action plans agreed by the management.

- Issued reports on the results of the internal reviews, identifying weaknesses with recommendations for improvements.

- Tabled internal audit reports at the Audit Committee meeting on a quarterly basis.

The internal audit function provides assurance of the effectiveness of the internal control system within the Group.

Internal Auditors perform risk assessment, operational and system review as part of the audit activities. The areas of audit coverage are based on areas of high risk that are independently assessed. All audit findings are deliberated and resolved with the management of the subsidiaries. Follow-up reviews will subsequently be performed to ascertain the effectiveness of the recommended mitigation efforts.

The Audit Committee reviews the internal audit issues identified and recommendations made by the Internal Auditors on a regular basis, in addition to the recommendations from the external auditors during the annual statutory audit.

REVIEW OF ADEQUACY AND EFFECTIVENESS

The RMC had reviewed and reported to the Board the adequacy and effectiveness of the Group's risk management system, including the Group's risk tolerance and the enterprise-wide risk governance framework. The Audit Committee had reviewed and reported to the Board the adequacy and effectiveness of the system of internal controls operated by the Group for the year 2021 and till its last meeting prior to the date of the Annual Report. The Board considers the system of internal controls described in this Statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. The Board had received assurance from the Group Managing Director and Senior Finance Manager of the Company that the Group's risk management and internal control system for the current Group's business environment is operating adequately and effectively, in all material aspects, based on the risk management framework adopted by the Group.

The Board and the management of the Group will continuously take measures to strengthen and monitor the internal control framework and environment implemented by the Group. For the financial year under review, the Board is satisfied that the system of internal controls is satisfactory and there are no material losses incurred during the current financial year as a result of weaknesses in internal control.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2021 in accordance with paragraph 15.23 of the Main Market List Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared in all materials aspects in accordance with the disclosures required under paragraphs 41 and 42 of the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) nor is it factually inaccurate.

AAPG 3, Guidance for Auditors on the Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants does not require the external auditors to consider whether the Directors' statement on risk management and internal controls covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control procedures including the assessment and opinion by the Board and management thereon. They are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will in fact remedy the problems.

This page has been intentionally left blank

CORPORATE GOVERNANCE

Contents

Our Corporate Information

BOARD OF DIRECTORS

Dato' Ahmad Sebi Bakar
Group Chair

Anton Syazi Dato' Ahmad Sebi
Group Executive Deputy Chair

Lee Su Nie
Group Managing Director

Puan Sri Datin Masri Khaw Abdullah
Non-Independent Non-Executive Director

Yong Teck Ming
Independent Non-Executive Director

Rali Mohd Nor
Independent Non-Executive Director

Aryati Sasya Dato' Ahmad Sebi
Non-Independent Non-Executive Director

Kam Kin Foong
Independent Non-Executive Director

AUDIT COMMITTEE

Yong Teck Ming *Chair*	**Rali Mohd Nor** *Member*	**Kam Kin Foong** *Member*

RISK MANAGEMENT COMMITTEE

Rali Mohd Nor *Chair*	**Aryati Sasya Dato' Ahmad Sebi** *Member*	**Kam Kin Foong** *Member*

NOMINATION COMMITTEE

Kam Kin Foong *Chair*	**Puan Sri Datin Masri Khaw Abdullah** *Member*	**Rali Mohd Nor** *Member*

REMUNERATION COMMITTEE

Rali Mohd Nor *Chair*	**Aryati Sasya Dato' Ahmad Sebi** *Member*	**Kam Kin Foong** *Member*

COMPANY SECRETARY	**Ho Tsae Feng** (MAICSA 7028522)

REGISTERED OFFICE	SHARE REGISTRAR	AUDITORS
Ground Floor, Synergy 9 9 Jalan Kajibumi U1/70 Temasya Glenmarie 40150 Shah Alam Selangor Tel : 03-5192 8822 Fax : 03-5192 8811	**Sectrars Management Sdn Bhd** Lot 9-7 Menara Sentral Vista No. 150 Jalan Sultan Abdul Samad Brickfields 50470 Kuala Lumpur Tel : 03-2276 6138/ 6139/ 6130 Fax : 03-2276 6131	**Baker Tilly Monteiro Heng PLT** **Chartered Accountants** Baker Tilly Tower Level 10, Tower 1, Avenue 5 Bangsar South City 59200 Kuala Lumpur Tel : 03-2297 1000 Fax : 03-2282 9980

PRINCIPAL BANKERS	**CIMB Bank Berhad**	**Affin Bank Berhad**
STOCK EXCHANGE LISTING	**Main Market of Bursa Malaysia Securities Berhad**	
WEBSITE	**www.asb.com.my**	

Our Board

Dato’ Ahmad Sebi Bakar

Group Chair (age 74)

Dato ’ Ahmad Sebi Bakar is a Non-Independent Non-Executive Director and the Group Chair of Advance Synergy Berhad. He was appointed to the Board on 9 April 1991 and redesignated from Executive Chair to Group Executive Chair on 28 September 2012. On 1 September 2017, he was redesignated to Non-Executive Group Chair.

Dato’ Ahmad Sebi holds a Bachelor of Arts (Hons) from the University of Malaya, Kuala Lumpur, a Diploma in Journalism from the Thomson Foundation, United Kingdom and a Master of Arts from Michigan State University, United States of America.

He was the Editor of the Malay Mail, a member of the New Straits Times Press Group from 1976 to 1982 and subsequently the Group Editor of Berita Harian from 1983 to 1986. From 1986 to 1989, he was the Managing Director of Sistem Televisyen Malaysia Bhd and a director of the New Straits Times Press Group from 1988 to 1989.

He was also the Non-Executive Chair of Unified Communications Holdings Limited (now known as Captii Limited), an indirect subsidiary of Advance Synergy Berhad which is listed on the Singapore Exchange Securities Trading Limited, from December 2003 to June 2006. Besides, he had held both the positions as Executive Chair and Managing Director of Kumpulan Powernet Berhad from 12 January 2002 to 28 August 2015.

He was conferred the Ahli Mangku Negara (A.M.N.) by the Yang Di-Pertuan Agong, DYMM Tuanku Haji Ahmad Shah Al-Mustain Billah Ibni Almarhum Sultan Abu Bakar in 1983, the Justice of Peace (J.P.) by DYMM Sultan Azlan Muhibbuddin Shah Ibni Almarhum Sultan Yusoff Izzuddin Shah Ghafarullah, Sultan of Perak, in 1986 and the Dato’ Setia Diraja Kedah (D.S.D.K.) by DYMM Tuanku Alhaj Abdul Halim Mu’adzam Shah Ibni Almarhum Sultan Badlishah, Sultan of Kedah, in 1988.

He is actively involved in social and charitable work and is the Chair of several non-profit organisations, namely, the privately funded Orphanage Foundation of Malaysia (YATIM) and in the past the Bosnia Action Front, Malaysia. He was also the President of the Malaysian National Writers Association (PENA) from 1992 to 2008.

Dato’ Ahmad Sebi is a substantial shareholder of Advance Synergy Berhad. He is also a substantial shareholder and a director of Suasana Dinamik Sdn Bhd and Bright Existence Sdn Bhd, companies that are also substantial shareholders of Advance Synergy Berhad.

Dato' Ahmad Sebi Bakar (continue)

Except for his daughter, Sasya, who is a Non-Independent Non-Executive Director and his son, Anton, who is the Group Executive Deputy Chair, Dato' Ahmad Sebi does not have any family relationship with any other director or major shareholder of Advance Synergy Berhad. And he has no conflict of interest with Advance Synergy Berhad.

Dato' Ahmad Sebi has not been convicted for any offences within the past 5 years and no public sanction or penalty has been imposed by the relevant regulatory bodies during the financial year.

Anton Syazi Dato' Ahmad Sebi

Group Executive Deputy Chair (age 44)

Mr Anton Syazi Dato' Ahmad Sebi was appointed to the Board on 27 February 2017 and was subsequently redesignated as Executive Deputy Chair on 1 September 2017.

Anton graduated from the London School of Economics, University of London, with a Bachelor of Science in Economics. He has a Master of Arts in Finance and holds an Investment Management Certificate awarded by the UK Society of Investment Professionals.

Anton is also Group Executive Director of Captii Limited ("Captii"), a 58.3%-owned subsidiary of Advance Synergy Berhad and Chair of Captii Ventures Pte Ltd and Postpay Sdn Bhd, both Captii subsidiaries. He has been a member of the Captii Board since 22 June 2006 and was previously Group Chief Executive Officer of Captii from 10 August 2010 to 31 August 2017 and Group Deputy Chief Executive Officer from December 2005 to 9 August 2010.

Anton is Chair of Paydee Sdn Bhd and Qurex Sdn Bhd, the fintech subsidiaries of the Group and sits on the Board of various other subsidiary and joint venture companies of the Group. He has also been a Non-Executive Director of SJ Securities Sdn Bhd since 20 September 2005 and a Director of SJ Capital Berhad, a non-listed public company since 2 March 2020.

Prior to joining Advance Synergy Berhad in June 2001, Anton was with the South East Asia Investment Banking Division of Credit Suisse First Boston.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad, except that his father, Dato' Ahmad Sebi, is the Group Chair and substantial shareholder of Advance Synergy Berhad. Anton is a director of Bright Existence Sdn Bhd and Suasana Dinamik Sdn Bhd, substantial shareholders of Advance Synergy Berhad. His father, Dato' Ahmad Sebi, is also a substantial shareholder and director of Bright Existence Sdn Bhd and Suasana Dinamik Sdn Bhd. His sister, Sasya, is also a Non-Independent Non-Executive Director of Advance Synergy Berhad. Anton has had no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Lee Su Nie

Group Managing Director (age 61)

Ms Lee Su Nie is a Non-Independent Director and the Group Managing Director of Advance Synergy Berhad. She was appointed to the Board on 9 July 2007 and redesignated from Executive Director/Chief Executive Officer to Group Managing Director on 28 September 2012.

Su Nie holds a Bachelor of Commerce (Accounting) degree from the University of Birmingham, United Kingdom and a Master of Science (Business Administration) from the University of Bath, United Kingdom. She is also a Fellow Member of The Association of Chartered Certified Accountants, United Kingdom.

In 1985, she joined Kassim Chan Management Consultants Sdn Bhd, where she provided management consultancy services. She joined the Corporate Finance Department of Rakyat Merchant Bankers Berhad in 1989. In 1991, she left Rakyat Merchant Bankers Berhad to join Perdana Merchant Bankers Berhad. She subsequently left her position as First Vice President, Corporate Finance of the Bank to join Advance Synergy Berhad in 1995 as Assistant General Manager, Corporate Planning & Finance. She was subsequently appointed the Group General Manager, Operations of Advance Synergy Berhad prior to her appointment as Chief Executive Officer on 22 April 2004.

She is a Non-Independent Non-Executive Director of Captii Limited, an indirect subsidiary of Advance Synergy Berhad which is listed on the Singapore Exchange Securities Trading Limited. Su Nie has been a member of the Captii Limited Board since 18 December 2003 and was a Non-Executive Chairman of Captii Limited from 22 June 2006 to 10 August 2010. She also sits on the Board of other subsidiaries of Advance Synergy Berhad.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Puan Sri Datin Masri Khaw Abdullah

Non-Independent Non-Executive Director (age 69)

Puan Sri Datin Masri Khaw Abdullah is a Non-Independent Non-Executive Director of Advance Synergy Berhad. She was appointed to the Board on 6 January 1995.

Puan Sri Datin Masri was one of the first Asians to complete the General Manager's Programme at the Holiday Inn University in Memphis, USA in 1976. In 1982, she completed a summer course on Hotel Development & Design at Cornell University, USA and had undergone Hotel training in Singapore and Canada.

She was awarded the Best Marketing Person of the Year for Holiday Inn Hotels Asia Pacific in 1985. Puan Sri Datin Masri played a key role when Antara Holiday Villas Sdn Bhd garnered several awards namely, the Special Award for Quality Management in the Industry Excellence Award 1997 (organised by the Ministry of International Trade and Industry and received this prestigious award from the former Prime Minister Tun Dr. Mahathir Mohamad on 18 December 1997), the National HR Excellence Award 2004 and the Industry Excellence Award 2005 – Export Excellence (Services). Her experience in the hotel industry dates back to 1969 and she has since contributed significantly to the development of new hotels. She was the co-founder of Holiday Villa chain in 1987 with the opening of the 1st Holiday Villa Cherating.

She also sits on the Board of other subsidiaries including Cherating Holiday Villa Berhad, which is a non-listed public company.

Puan Sri Datin Masri is a member of the Nomination Committee of Advance Synergy Berhad.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Yong Teck Ming

Independent Non-Executive Director (age 68)

Mr Yong Teck Ming was appointed to the Board on 9 July 2007. He is an Independent Non-Executive Director of Advance Synergy Berhad and is Chair of the Audit Committee. He served as Chair of the Risk Management Committee until 1 August 2021.

He holds a Bachelor of Commerce Degree from the University of Auckland, New Zealand. He is a member of Chartered Accountants Australia, New Zealand and a member of the Chartered Governance Institute (previously known as Institute of Chartered Secretaries and Administrators, United Kingdom).

Teck Ming started his career in New Zealand in 1973 and worked in several accounting positions before returning to Malaysia in February 1979. From March 1979 to January 1995, he served in various positions in the Berjaya Group of Companies including as Group Executive Director from February 1988 until January 1995. He currently sits on the Board of several private limited companies.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. He has had no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Rali Mohd Nor

Independent Non-Executive Director (age 68)

Mr Rali Mohd Nor is an Independent Non-Executive Director of Advance Synergy Berhad. He was appointed to the Board on 10 March 2016.

Rali holds a Master of Business Administration (Finance) from Brunel University London, Advance Post Graduate Diploma in Management Consultancy from Henley Business School, University of Reading, United Kingdom, Diploma in Management (Merit) from Malaysian Institute of Management, Kuala Lumpur and Diploma in Syariah (Merit) from University of Malaya, Kuala Lumpur.

He was formerly the Managing Director and Chief Executive Officer of Proton Parts Centre Sdn Bhd, a subsidiary of PROTON Holdings Berhad since 2003 until his retirement in February 2015. Prior to that, he was the Chief Financial Officer of Proton Parts Centre Sdn Bhd for more than 10 years. He joined PROTON in 1985 as a Production Planning Manager and progressed to serve in International Business Division as a Senior Manager of Parts Business for 6 years. He started his career in Dunlop Malaysian Industries Berhad in 1977 as a Management Trainee and later on served as Planning Superintendent in the Planning Department. He has worked in Dunlop for 8 years before joining PROTON.

Rali Mohd Nor (continued)

He is a Fellow Member of the Institute of Leadership and Management, United Kingdom. He is also a member of the Chartered Institute of Marketing, United Kingdom, the Malaysian Institute of Management and the Harvard Business School Alumni Club of Malaysia. He has attended Senior Management Development Program at Harvard Business School Alumni Club of Malaysia and Advance Management Program at Henley Business School.

Rali is a member of the Audit Committee and Nomination Committee. He is also the Chair of the Remuneration Committee and Risk Management Committee of Advance Synergy Berhad.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Aryati Sasya Dato' Ahmad Sebi

Non-Independent Non-Executive Director (age 47)

Ms Aryati Sasya Dato' Ahmad Sebi is a Non-Independent Non-Executive Director of Advance Synergy Berhad. She was appointed to the Board on 7 March 2013.

Sasya holds a Bachelor of Commerce from Deakin University, Australia, a Diploma in Economics from La Trobe University, Melbourne and a Master of Finance from RMIT University, Melbourne.

She worked at SJ Securities Sdn Bhd, Malaysia as a Research Analyst before joining the retailing industry in 2002. From late 2002 to 2005, she entered the retail industry and under took a consulting position with a local specialised men's retailer in Melbourne where she was responsible for the day-to-day management of the company as well as preparing sales and market forecasting for the board of directors. Within the same period, she was appointed as a Director of Tantalum Australia NL, now known as ABM Resources NL, a public listed company in Australia. During her time at ABM Resources NL, she gained considerable knowledge of the mining sector as well as expanded her financial analysis skills to include some technical analysis of the commodities sector. She resigned from the Board in 2006.

Presently, she sits on the board of various companies incorporated in Malaysia and overseas. She has over 12 years' of experience in corporate management, finance and events management in various companies ranging from hospitality, mining and events management with a proven track record in delivering a strategic and innovative approach to problem solving and implementing growth strategies. She continues to be involved in the corporate industry and various cultural arts projects in a consulting capacity.

Aryati Sasya Dato' Ahmad Sebi (continued)

Sasya is the Chief Executive Officer of Metroprime Corporation Sdn Bhd (an education subsidiary of Advance Synergy Berhad); a member of the Risk Management Committee and Remuneration Committee of Advance Synergy Berhad.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad, except that her father, Dato' Ahmad Sebi, is the Group Chair and substantial shareholder of Advance Synergy Berhad. Her brother, Anton, is the Group Executive Deputy Chair and also a director of Bright Existence Sdn Bhd and Suasana Dinamik Sdn Bhd, both companies are substantial shareholders of Advance Synergy Berhad. Her father, Dato' Ahmad Sebi, is also a substantial shareholder and director of Bright Existence Sdn Bhd and Suasana Dinamik Sdn Bhd. She has had no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Kam Kin Foong

Independent Non-Executive Director (age 55)

Ms Kam Kin Foong is an Independent Non-Executive Director of Advance Synergy Berhad. She was appointed to the Board on 12 July 2018.

Kin Foong holds a Bachelor of Science degree in Business Administration majoring in Finance and a Master of Science in Industrial Management from the Central Missouri State University, United States of America.

From 1991 to 1995, she was the Assistant Manager in NJ Metal Stamping Sdn Bhd. She joined Powernet Industries Sdn Bhd in 1995 as a Personal Assistant to the Managing Director and was subsequently promoted to the post of Export Manager in 1997. In 1999, she was appointed as the Executive Director of Powernet Industries Sdn Bhd. Kin Foong was appointed as an Executive Director of Kumpulan Powernet Berhad ("KPB") on 12 January 2002. She left KPB in October 2005 and since then she has been self-employed in investment and management of properties and financial assets. She is presently a Director of Megalpha Sdn Bhd, Megalpha Limited and L F Kim Holdings Sdn Bhd.

Kin Foong is a Chair of Nomination Committee and member of the Audit Committee, Remuneration Committee and Risk Management Committee of Advance Synergy Berhad.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Our Company Secretary

Ho Tsae Feng (age 52)

Company Secretary and Group Secretarial Manager

Ms Ho Tsae Feng, is the Company Secretary and Group Secretarial Manager of Advance Synergy Berhad. She joined Advance Synergy Berhad on 2 September 2003 as the Group Secretarial Manager and assumed an additional position as Company Secretary on 28 October 2003. Tsae Feng is an Associate Member of The Malaysian Institute of Chartered Secretaries and Administrators.

Prior to joining Advance Synergy Berhad, she was with The Malayan United Industries Berhad Group as an Assistant Company Secretary from March 2000 until August 2003. From April 1997 to March 2000, she was a Senior Secretarial Assistant with Corporatehouse Services Sdn Bhd, an affiliate to PricewaterhouseCoopers providing corporate secretarial services.

From September 1995 to April 1997, she was attached to Ekovest Berhad, a public listed company, as Assistant Company Secretary. She has more than 25 years' experience in corporate secretarial services.

Tsae Feng does not hold any directorship in public company.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has had no convictions for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Our Key Management

CORPORATE OFFICE

Dato' Ahmad Sebi Bakar
Group Chair

Anton Syazi Dato' Ahmad Sebi
Group Executive Deputy Chair

Lee Su Nie
Group Managing Director

Sng Ngiap Koon
Chief Operating Officer – Asset Development

Yap Chee Kong
General Manager – Corporate Services

Aaron Wong Ching Ping
Senior Accounts Manager

Ho Tsae Feng
Group Secretarial Manager

HEADS OF GROUP DIVISIONS

INFORMATION & COMMUNICATIONS TECHNOLOGY

- **CAPTII LIMITED**

Wong Tze Leng
Group Executive Chair

Anton Syazi Dato' Ahmad Sebi
Group Executive Director

TRAVEL & TOURS

- **ORIENT ESCAPE TRAVEL SDN BHD**

Cheah Ping Huey
Executive Director

- **SYNERGY TOURS SDN BHD**

Cheah Ping Huey
Chief Executive Officer

FINANCIAL SERVICES

- **PAYDEE SDN BHD**

Anton Syazi Dato' Ahmad Sebi
Chair

Cheah Foo Choong
Chief Executive Officer

- **QUREX SDN BHD**

Anton Syazi Dato' Ahmad Sebi
Chair

Cheah Foo Choong
Executive Director

BUS-BODY FABRICATION

- **AVIVA MASTER COACH TECHNOLOGY SDN BHD**

Yap Chee Kong
Managing Director

PROPERTY DEVELOPMENT & INVESTMENT

- **ADVANCE SYNERGY REALTY SDN BHD**

Sng Ngiap Koon
Executive Director / Chief Operating Officer

- **CHERATING HOLIDAY VILLA BERHAD**
- **LANGKAWI HOLIDAY VILLA SDN BHD**
- **SHANGHAI HOLIDAY VILLA HOTEL CO. LTD.**

(Assets managed by Holiday Villa)

Puan Sri Datin Masri Khaw Abdullah
Director

- **57-59 PHILBEACH GARDENS LIMITED**
- **YAP AH SHAK HOUSE SDN BHD**

Anton Syazi Dato' Ahmad Sebi
Director

- **OSTERIA GAMBERONI SDN BHD**

(F&B Operation)

Aryati Sasya Dato' Ahmad Sebi
Director

EDUCATION

- **METROPRIME CORPORATION SDN BHD**

Aryati Sasya Dato' Ahmad Sebi
Chief Executive Officer

- **THE LANGUAGE HOUSE**

Patricia Mary Jayasuriya @ Cecilia
Principal

Our Group
Senior Management

Wong Tze Leng *(age 57)*

• Group Executive Chair of Captii Limited

Mr Wong Tze Leng was appointed the Group Executive Chair of Captii Limited, a 58.3%-owned subsidiary of Advance Synergy Berhad which is listed on the Singapore Exchange Securities Trading Limited, on 10 August 2010. He previously served as Group Chief Executive Officer of Captii Limited, a position he held since 22 December 2002 until his appointment as Executive Chair.

Tze Leng has over 30 years' experience in the information technology industry, with specific expertise in the telecommunications sector. He started his career in 1988 as an Engineer in the Singapore Institute of Standards & Industrial Research's design and development centre. He gained specialised expertise in computer telephony technology when he joined Federal Computer Services Pte Ltd in 1990 as a Software Engineer and later progressed to the position of Software Manager.

In 1993, he joined Dialogic as an Applications Engineer and was later promoted to the position of Business Development Director for the Asia Pacific region. During his career with Dialogic, he established a close rapport and working relationship with numerous IT companies and telcos in the Asia Pacific region. In 1998, he left Dialogic and founded the Captii Limited Group.

Tze Leng graduated from Monash University, Victoria, Australia, with a Bachelor's degree in Computer Science in 1985 and subsequently obtained a Bachelor's degree in Electrical and Electronic Engineering in 1987 from the same university.

Tze Leng also sits on the Board of various private limited companies including subsidiaries of Advance Synergy Berhad. He does not hold any directorship in other public companies.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad, save for his substantial shareholding in Captii Limited. He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Sng Ngiap Koon *(age 74)*

• Chief Operating Officer – Asset Development of Advance Synergy Berhad
• Executive Director/Chief Operating Officer of Advance Synergy Realty Sdn Bhd

Mr Sng Ngiap Koon was appointed the Executive Director/Chief Operating Officer of Advance Synergy Realty Sdn Bhd on 14 July 2007 and the Chief Operating Officer – Asset Development of Advance Synergy Berhad on 28 September 2012.

Ngiap Koon is an Associate Member of the Institute of Chartered Accountants in England and Wales.

Prior to 1984, he was working in London, England. Between 1984 to 1985, he was the Group Accountant of Innovest Berhad. He joined Advance Synergy Berhad in 1986 as the Group Accountant. In 1987, he was appointed the Group Financial Controller of Advance Synergy Berhad. Prior to his appointment as the Executive Director of Advance Synergy Berhad in 2003 till 2006, he held the positions of Senior Group General Manager and Company Secretary. He was also a Director of Advance Synergy Berhad from 1988 to early 1991.

Ngiap Koon currently sits on the Board of various subsidiaries of Advance Synergy Berhad including Cherating Holiday Villa Berhad, which is a non-listed public company.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Yap Chee Kong *(age 54)*

- *General Manager – Corporate Services of Advance Synergy Berhad*
- *Financial Controller of Advance Synergy Capital Sdn Bhd*
- *Managing Director of Aviva Master Coach Technology Sdn Bhd*

Mr Yap Chee Kong was appointed as a Financial Controller of Advance Synergy Capital Sdn Bhd on October 2001 and General Manager – Corporate Services of Advance Synergy Berhad on 28 September 2012. He was appointed as the Managing Director of Aviva Master Coach Technology Sdn Bhd on 27 March 2017.

He is a qualified accountant by training and prior to joining Advance Synergy Capital Sdn Bhd, he was an audit manager with PricewaterhouseCoopers. During his time with PricewaterhouseCoopers, he gained extensive experience in auditing where he held a portfolio of public listed companies involved in diverse range of industries, which included financial institutions and stock broking companies. He also has experience in financial advisory work and was actively involved in due diligence review, technical research, training and recruitment. He was also involved in special audit and special business approval certification of stock broking companies.

He also sits on the Board of various subsidiaries and an associate company of Advance Synergy Berhad. He does not hold any directorship in public companies.

Chee Kong is a member of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants, England.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. He has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Cheah Ping Huey *(age 50)*

- *Executive Director of Orient Escape Travel Sdn Bhd*
- *Chief Executive Officer of Synergy Tours Sdn Bhd*

Ms Cheah Ping Huey joined the Travel and Tours Division of Advance Synergy Berhad in 2004 and was appointed the Executive Director of Orient Escape Travel Sdn Bhd on 12 April 2007. Since joining the Group, she has held several positions in the Group including the current positions.

With over 20 years' working experience, Ping Huey has served at management level in various international hotels including Guoman Hotels Group and Nikko Hotel.

Upon graduating from Stamford College with a Diploma in Business Administration in early 90's, she began her career as a Banquet Sales Secretary in Istana Hotel. She accumulated her experience in sales as a Sales Executive and worked her way up the corporate ladder while studying Hotel Management Diploma Course. She was awarded the Youngest Director of Sales, Corporate Division by Nikko Hotel in 2000 and Most Outstanding Sales Achievement in 2001. Her other accomplishments include spearheading the hotels pre-opening Sales & Marketing Team of Guoman Hotels Group in Port Dickson and Hanoi.

In 2002, Ping Huey took on a new challenge and joined the travel industry. She was appointed as General Manager in a Japanese-owned travel agency, Intersect Travel and Tour Sdn Bhd. Her acute insight and quick execution was quickly noted and in 2004, she was appointed the General Manager of Orient Escape Travel Sdn Bhd, a subsidiary of Advance Synergy Berhad and has since grown the company into one of the leading travel agency in Malaysia. In 2007, she was promoted to her current position as the Executive Director of Orient Escape Travel Sdn Bhd. Ping Huey was appointed the Chief Executive Officer of Synergy Tours Sdn Bhd on 1 January 2016.

Ping Huey does not hold any directorship in public companies.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year.

Cheah Foo Choong *(age 48)*

- *Chief Executive Officer of Paydee Sdn Bhd*
- *Executive Director of Qurex Sdn Bhd*

Mr Cheah Foo Choong (Darren) was appointed as Executive Director and Chief Executive Officer of Qurex Sdn Bhd ("Qurex") in August 2019. He joined Qurex in August 2018 as General Manager of Business Development. He was also serving as Head of Merchant Business for Paydee Sdn Bhd ("Paydee") since August 2018, and was appointed as Director of Paydee in December 2019 and subsequently he was redesignated as Executive Director on 28 October 2020 and Chief Executive Officer on 23 December 2020.

Darren started his career in 1996 in the advertising and promotions department of The Store and progressed to the position of Assistant Manager of their loyalty rewards programme. In 2004, he joined Unrealmind Interactive Berhad, a pioneer in the premium SMS business in Malaysia as Manager in the Advertising & Promotions department where he led and managed the advertising and promotion activities of the company's core products. In 2006, Darren was with R&D Media Malaysia Sdn Bhd, a Dutch premium SMS business as their Regional Manager-Marketing and Content. He then progressed to the position of General Manager in 2008, reporting to the Group CEO based in Amsterdam before joining the Captii Limited Group in June 2010 as General Manager for Mobilization Sdn Bhd (now known as Postpay Sdn Bhd) and was responsible for the overall business operations.

On 1 June 2017, Darren was appointed as the General Manager of Service Management under Unified Communications Sdn Bhd ("UC") and was promoted to the position of Deputy Head of Business Development, and subsequently redesignated as Head of Business Development of UC and also the Country Head as well as Chief Executive Officer for UC Pakistan.

Darren holds a Masters in Business Administration (MBA) degree from Nottingham Trent University.

Darren does not hold any directorship in public companies.

He does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has he any conflict of interest with Advance Synergy Berhad. Darren has no convictions for any offences within the past 5 years other than traffic offence (if any) and no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year.

Patricia Mary Jayasuriya @ Cecilia *(age 65)*

• Principal of The Language House

Ms Patricia Mary Jayasuriya is the Principal of Pusat Bahasa The Language House ("TLH"), the education unit of Advance Synergy Berhad.

Patricia brings almost four decades of experience in education both in Malaysia and Hong Kong to TLH.

A psychology graduate of the University of Manchester, Patricia went on to take a postgraduate qualification in business administration from Cranfield University. She has both professional and academic qualifications in Teaching of English as a Second Language and has successfully completed the American Hotel and Lodging Institute's Certified Hospitality Educator programme.

Patricia takes a hands-on approach in management and is passionate about maintaining quality in education especially in teaching standards and curricular.

Patricia does not hold any directorship in public companies.

She does not have any family relationship with any director and/or major shareholder of Advance Synergy Berhad, nor has she any conflict of interest with Advance Synergy Berhad. She has no convictions for any offences within the past 5 years and no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year.

Notes:

The Key-Senior Management are all Malaysian. The profiles of the following Key Senior Management who are also Directors of Advance Synergy Berhad are set out in the Directors' Profile on pages 59 to 65 of this Annual Report:

1. **Puan Sri Datin Masri Khaw Abdullah**
   - *Director of Cherating Holiday Villa Berhad, Langkawi Holiday Villa Sdn Bhd and Shanghai Holiday Villa Hotel Co. Ltd.*

2. **Mr Anton Syazi Dato' Ahmad Sebi**
   - *Group Executive Director of Captii Limited*
   - *Chair of Paydee Sdn Bhd and Qurex Sdn Bhd*
   - *Director of 57-59 Philbeach Limited and Yap Ah Shak House Sdn Bhd*

3. **Ms Aryati Sasya Dato' Ahmad Sebi**
   - *Chief Executive Officer of Metroprime Corporation Sdn Bhd*
   - *Director of Osteria Gamberoni Sdn Bhd*