



PART OF YOUR LIFE



OUR VISION

To be the largest home improvement retailer in Malaysia and Brunei

OUR MISSION

- To create a globally recognised retail brand
- To offer a diverse retail experience catering to different customer segments
- To maintain a wide variety of good quality, value for money items; thereby holding true to our motto of “**ALWAYS LOW PRICES**”

ALWAYS
Low
Prices

WIDE
Product
Range

CONVENIENT
Locations
Nationwide

We are the

Largest

home improvement
retailer

in Malaysia with a **34.6%** share of
the home improvement retail market
as at 31 December 2020

Market Capitalisation of more than

RM19 billion

as at 31 December 2020

Our stores carry a wide variety of products,
with an average of

18,000

**SKUs across
5 categories of products**

including our own white label products to cater to
the home improvement needs of every Malaysian

We have more than

700 stores

across every state in Malaysia and the Federal
Territories, supported by more than 11,000 employees

For the added
convenience of
our customers,
the Group also has an
E-Commerce website

More than
6,000 SKUs

are available on this channel
and this makes shopping
at Mr D.I.Y. available to
everyone 24/7, accessible
anywhere and anytime

Invested a total of
RM4.6 million
in response to the
COVID-19 pandemic

#MRDIYCARES

About this Report

15 YEARS AGO, MR D.I.Y. STARTED FROM A SINGLE STORE AND HAS EVOLVED OVER THE YEARS TO BECOME A HOUSEHOLD NAME ACROSS MALAYSIA.

Our brand name is now associated with convenience, accessibility and affordability; a value proposition that has driven our growth and helped capture investor's confidence. Our inaugural annual report thus marks a significant milestone in our journey of creating further value for our shareholders.

REPORTING FRAMEWORK

As a responsible and value-driven organisation, we have endeavoured to present a comprehensive and transparent assessment of our business, our strategies and our efforts to incorporate sustainability into everything we do. In line with best practices, we have also presented our report in alignment with the Malaysian Code on Corporate Governance 2017 ("MCCG"), the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Companies Act 2016 ("the Act") and the Malaysian Financial Reporting Standards.

NAVIGATION ICONS



COVID-19



Page references

SCOPE AND BOUNDARIES

The report discusses the Group's financial and non-financial performance for the period 1 January 2020 to 31 December 2020. With regards to our reporting boundaries, we have considered all business operations of the Group in Malaysia and Brunei, which consist of subsidiaries as well as associate operations. We aim to report on the impact both internal and external factors have on our business performance, material developments, as well as risks or opportunities that could affect our operations.

WE APPRECIATE YOUR FEEDBACK

We truly value feedback and comments on this report. Please contact our Investor Relations team at: investor.query@mrdiy.com.

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ABOUT MR D.I.Y.

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The very first Mr D.I.Y. store at Jalan Tuanku Abdul Rahman, Kuala Lumpur

FORWARD-LOOKING STATEMENTS

We have used forward-looking statements in this report which may discuss our future plans, strategies, objectives and performance. Such forward-looking statements involve known and unknown risks, uncertainties, as well as other factors that may cause our actual results, performance, achievements, or industry results to be materially different from any results that are expressed or implied by these statements. Such statements are based on numerous assumptions regarding our present and future business strategies, and the environment which we may operate in the future. Such statements reflect our current view with respect to future events and do not guarantee future performance. Such statements can be identified by the use of words such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions. The inclusion of such terms should not be regarded as a representation or guarantee by us that such plans and objectives will be achieved.

Corporate Information

BOARD OF DIRECTORS

• DATO' AZLAM SHAH BIN ALIAS

Independent Non-Executive
Chairman

• TAN YU YEH

Non-Independent Executive
Director / Executive Vice
Chairman

• ONG CHU JIN ADRIAN

Non-Independent Executive
Director / Chief Executive Officer

• BRAHMAL A/L VASUDEVAN

Non-Independent Non-Executive
Director

• NG ING PENG

Independent Non-Executive
Director

• LENG CHOO YIN

Independent Non-Executive
Director

• TAN YU WEI

Alternate Director to Tan Yu Yeh /
Executive Vice President

• SOO SZE YANG

Alternate Director to Brahmal
A/L Vasudevan

AUDIT AND RISK MANAGEMENT COMMITTEE

- Ng Ing Peng
Chairman
- Dato' Azlam Shah Bin Alias
Member
- Brahmal A/L Vasudevan
Member

NOMINATION AND REMUNERATION COMMITTEE

- Leng Choo Yin
Chairman
- Ng Ing Peng
Member
- Brahmal A/L Vasudevan
Member

CORPORATE RESPONSIBILITY COMMITTEE

- Dato' Azlam Shah Bin Alias
Chairman
- Ng Ing Peng
Member
- Ong Chu Jin Adrian
Member

COMPANY SECRETARY

Wong Mun Sin
(License No.: MAICSA 7025509)
(SSM PC No.: 202008000876)

REGISTERED OFFICE

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Malaysia
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Fax. No.: +603 8964 0930

SHARE REGISTRAR

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Services Sdn. Bhd.
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Malaysia
Tel. No.: +603 2783 9299
Fax. No.: +603 2783 9222
Email: is.enquiry@my.tricorglobal.com

AUDITORS

BDO PLT
Level 8, BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia
Tel. No.: +603 2616 2888
Fax. No.: +603 2616 3190/3191

PRINCIPAL BANKERS

- CIMB Bank Berhad
- Malayan Banking Berhad

STOCK EXCHANGE

Listed on Main Market of
Bursa Malaysia Securities Berhad
on 26 October 2020
Stock Name: MRDIY
Stock Code: 5296

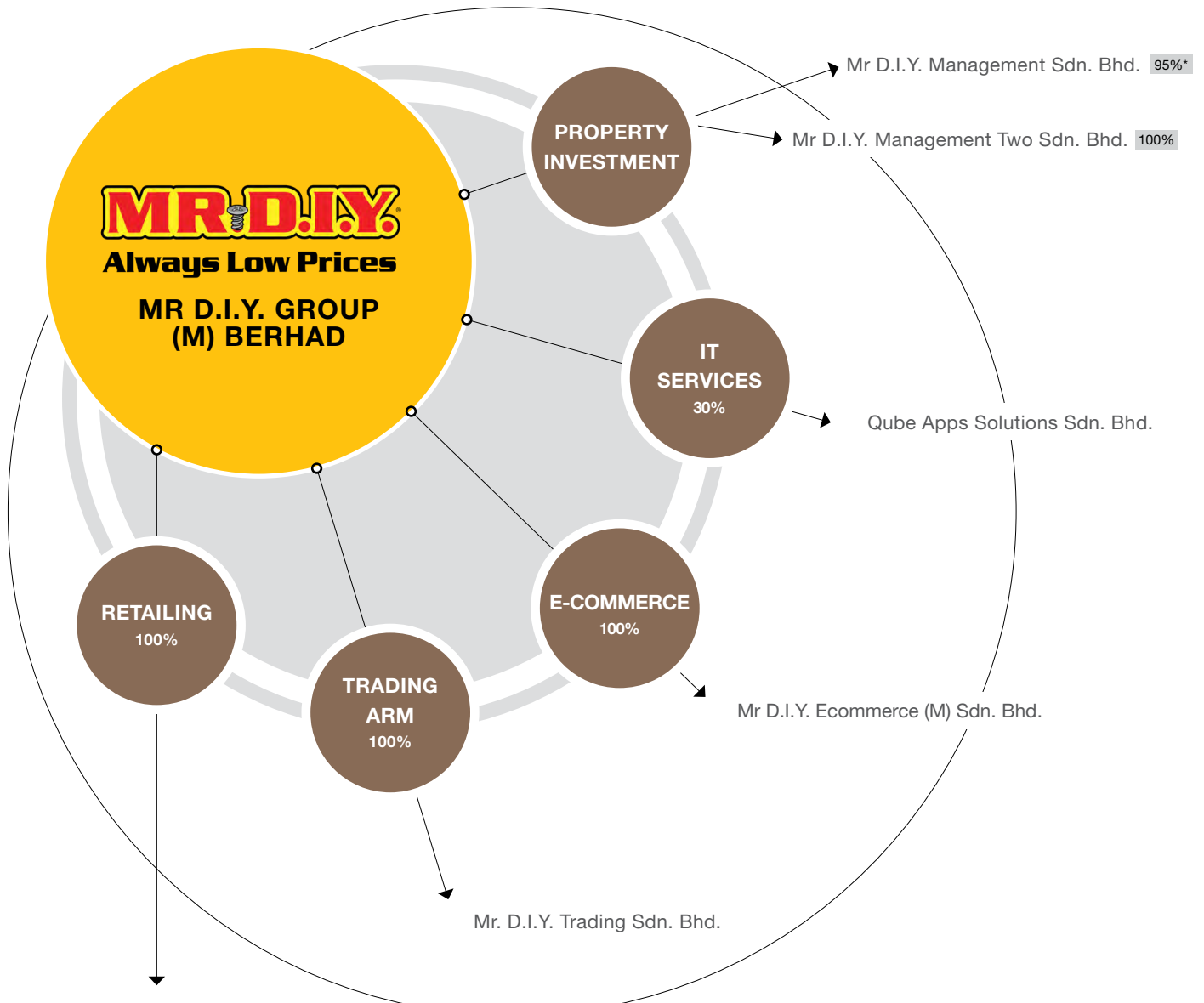
WEBSITE

www.mrdiy.com

INVESTOR RELATIONS

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Group Corporate Structure

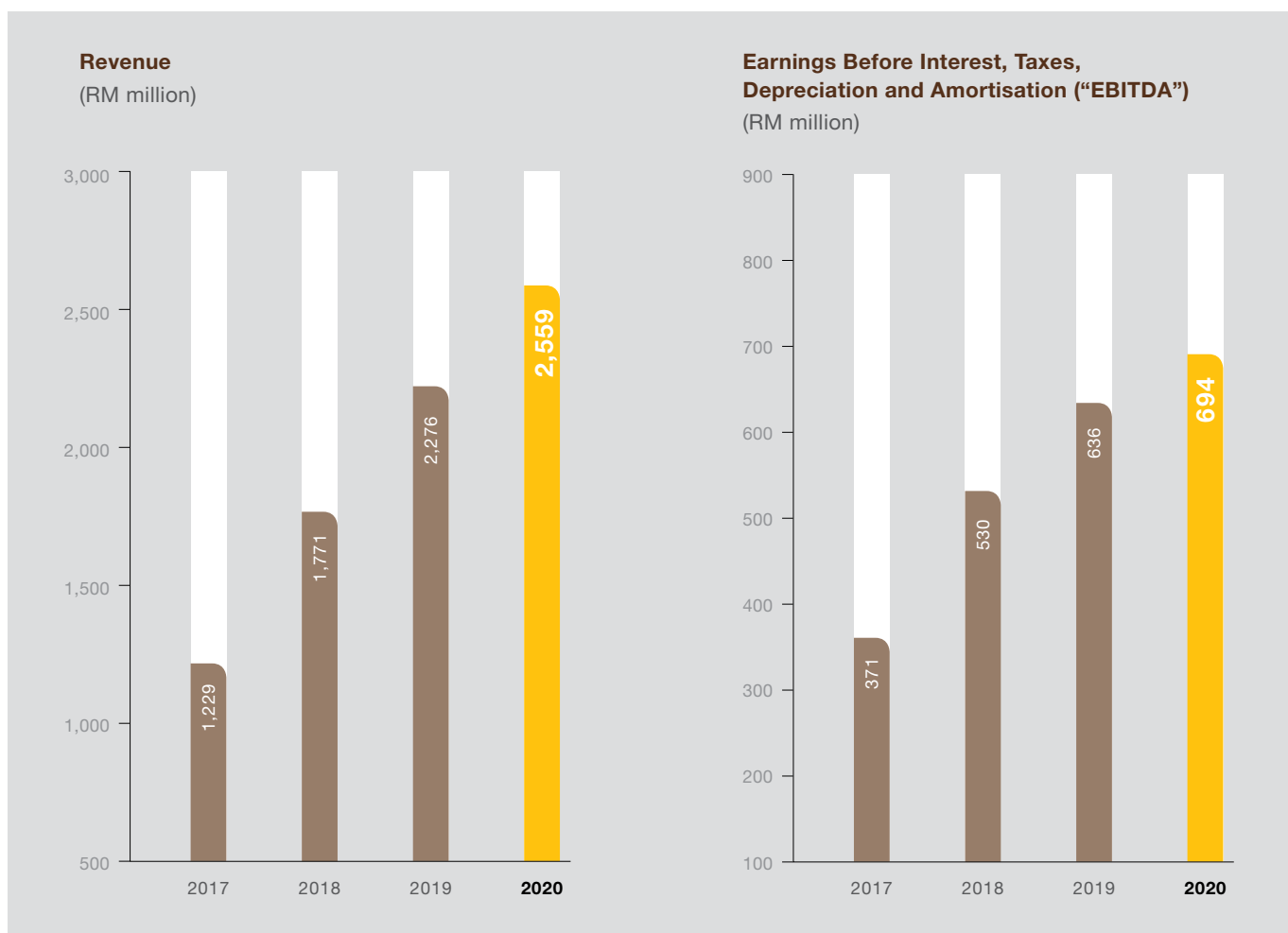


→ Mr D.I.Y. Sdn. Bhd.	→ Mr D.I.Y. Kids Sdn. Bhd.
→ Mr. D.I.Y. (EM) Sdn. Bhd.	→ Mr. Dollar Sdn. Bhd.
→ Mr. D.I.Y. (H) Sdn. Bhd.	→ Mr. Dollar (East Coast) Sdn. Bhd.
→ Mr D.I.Y. (Johor) Sdn. Bhd.	→ Mr. Dollar (EM) Sdn. Bhd.
→ Mr D.I.Y. (KK) Sdn. Bhd.	→ Mr. Dollar (Northern) Sdn. Bhd.
→ Mr D.I.Y. (Kuchai) Sdn. Bhd.	→ Mr. Dollar (Southern) Sdn. Bhd.
→ Mr. D.I.Y. (M) Sdn. Bhd.	→ Mr. D.I.Y. (B) Sdn. Bhd.

Note:

* The shareholders representing the remaining 5% equity interest in Mr D.I.Y. Management Sdn. Bhd. (“MDM”) have waived all their present and future rights, title, interest in and to all dividends declared, distributed or paid by MDM. Consequently, the Group has consolidated MDM based on 100% ownership.

Financial Highlights



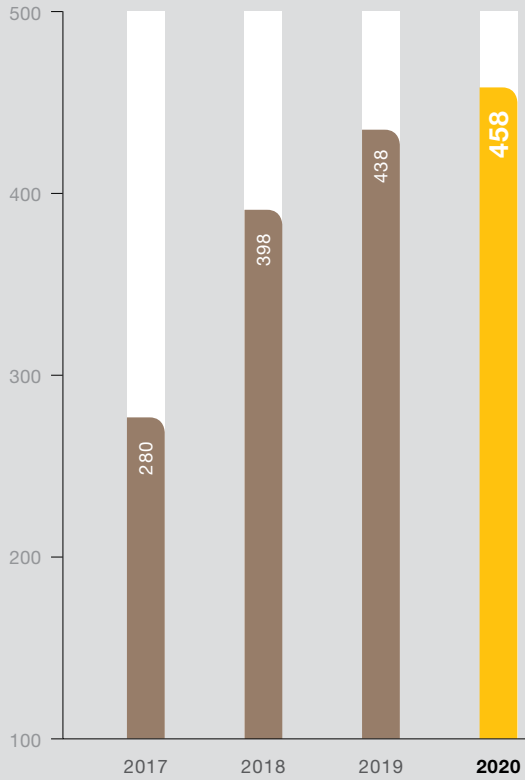
FINANCIAL HIGHLIGHTS

	2019	2020
Revenue (RM million)	2,276	2,559
Profit after tax (RM million)	318	337
Earnings per ordinary share (sen)*	5.06	5.37
Total assets employed (RM million)	1,824	2,253
Total shareholders' funds (RM million)	340	877

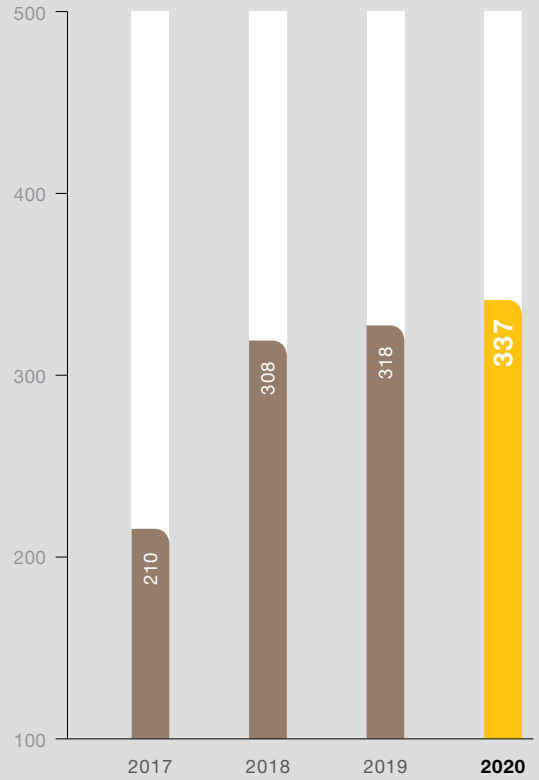
* Earnings per ordinary share is calculated by dividing the net profit for the financial year attributable to owners of the Company by 6,276,600,000 number of ordinary shares after the completion of the initial public offering exercise.

Financial Highlights

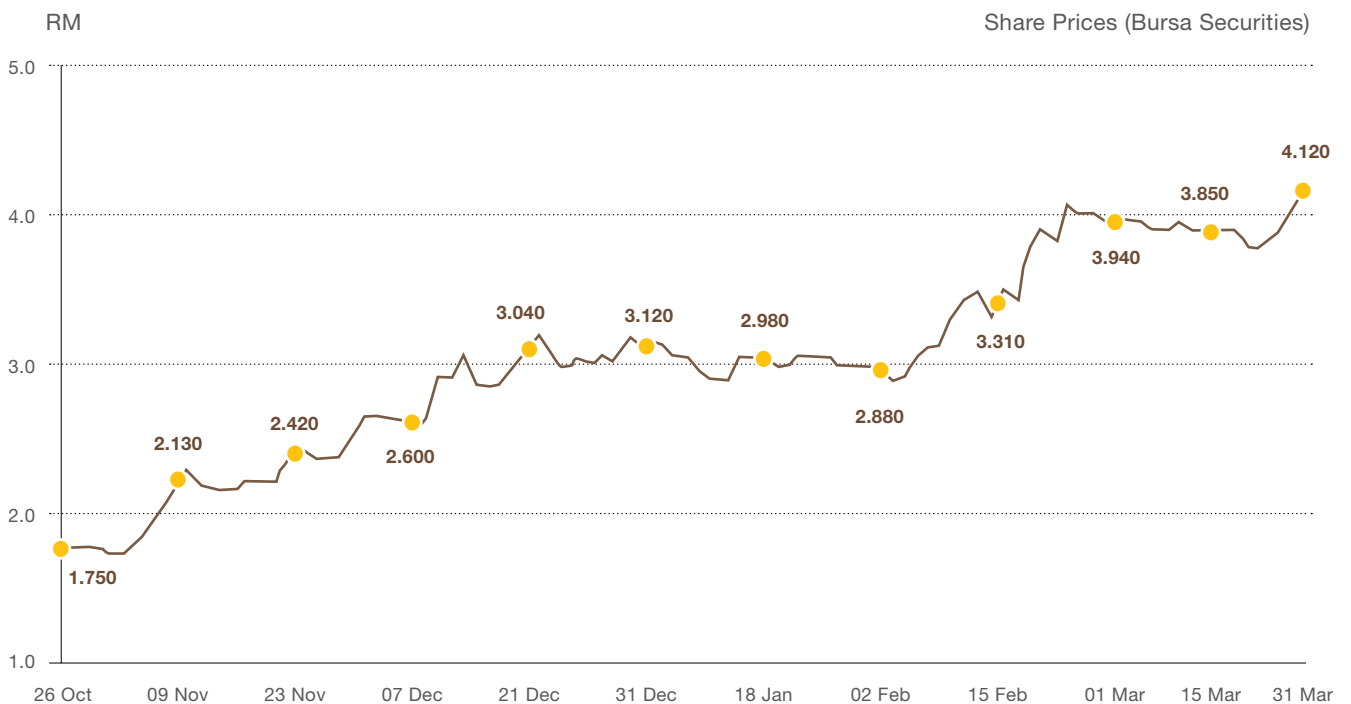
Profit Before Tax ("PBT")
(RM million)



Profit After Tax ("PAT")
(RM million)



SHARE PERFORMANCE



Chairman's Statement

“THE BEGINNING OF A JOURNEY AND A SIGNIFICANT MILESTONE IN THE HISTORY OF THE COMPANY”

Dear Valued Shareholders,

I am delighted and honoured to present Mr D.I.Y.'s inaugural annual report which details our efforts throughout the year to return value to our shareholders as we continue to grow the business and deliver on our strategies.

This annual report marks a significant milestone in our journey, following our listing on the Main Market of Bursa Securities on 26 October 2020.

The listing is not just about welcoming a broader, more diverse group of investors. It also ensures we hold ourselves accountable for the transparency and efficiency of our operations.

The introduction of the Employee Share Option Scheme (“ESOS”) in tandem with our listing served to boost employees’ morale and enhance employee retention, while attracting new talents to join the Mr D.I.Y. family, all of which will ultimately help improve the sustainability of the business.

The listing also provides a benchmark to measure ourselves against peers, both in the context of operations and financial performance. Such transparency is essential to shape and hold our organisation to higher standards that will benefit all our stakeholders. Despite the headwinds brought on by the ongoing COVID-19 pandemic, the Group continued to demonstrate resilience and was able to maintain its growth trajectory with a steady pace of store additions.

In recognition of our sustained efforts in growing the business, Mr D.I.Y. won the World Branding Awards ‘Brand of the Year in Retail 2020-2021’, under the Home Improvement Category’s national tier. It is the first time a home improvement retailer has won this distinguished

award for three consecutive years and a clear indication of the value of our brand in the eyes of our customers. The listing also gained recognition for generating international interest in the Malaysian equities market, leading to the Group winning the ‘Malaysia Capital Markets Deal of the Year’ at the IFR Asia Awards 2020.

OUR EMPLOYEES - OUR GREATEST ASSETS

We are particularly proud of the amazing efforts of our colleagues who have stayed the course and delivered exceptional performance during these difficult times. We thank you for your tremendous contributions and sacrifices.

We are also deeply concerned about improving our employees’ capabilities and have continued to support upskilling initiatives with more than 124,000 training hours recorded in 2020. Our growing footprint is also adding jobs, directly contributing to the economy and creating growth opportunities for our people with more than 11,000 now employed across the Group. For instance, one of our long-serving employees, Nabilah Abdul Ghani from Perak, has, over a period of six years, moved from being a store promoter to managing 18 stores and over 200 employees, as a result of a solid work ethic. To find out more about how we value our employees, refer to page 27 of the Sustainability Statement.

GOVERNANCE

The Group remains committed to practising the principles and best practices of good corporate governance that are central to ensuring effective operations. Good corporate governance practices also help ensure the highest standards of accountability and transparency, which protect stakeholders’ interests while creating more value.

For the Group, we adhere to the best practices as prescribed by the MCGG and Bursa Securities’s Corporate Governance Guide. We have also developed and put in place policies such as the Anti-Bribery and Corruption Policy, Gifts and Entertainment Policy, Sanctions

MR D.I.Y.
WON THE WORLD
BRANDING AWARDS
‘BRAND OF THE
YEAR IN RETAIL
2020-2021’

Policy, Conflict of Interest Policy, as well as a Code of Business Ethics and Whistleblowing Policy. When seen in totality, these policies demonstrate our strong commitment to upholding good governance and integrity practices.

OUTLOOK

The Malaysian economy is expected to register a gross domestic product growth of between 6.5-7.5% in 2021, recovering from a 5.6% contraction as determined by the Department of Statistics, Malaysia. Global equity markets continued their rebound towards the end of 2020, on the back of rising COVID-19 cases and the global vaccine rollout. The International Monetary Fund has downgraded growth forecast, with the world economy expected to shrink by 4.4% in 2020.

While headwinds are still expected to persist due to the resurgence of COVID-19 within the country and globally, the Group nevertheless remains positive about its prospects going forward premised on our affordable prices, range of products, the convenience of its 700+ outlets nationwide and promise of "Always Low Prices".

Gross Domestic Product growth of between 6.5%-7.5% in 2021



HOW WE NAVIGATED COVID-19

The COVID-19 pandemic had a profound impact on the retail industry as consumer sentiment fell and businesses were required to close during the Movement Control Order ("MCO") imposed by the government between March and May 2020. Mr D.I.Y. was similarly affected as we had to close almost all of our stores during the MCO. We witnessed a strong recovery in May and June 2020 when our stores were allowed to reopen, following the introduction of the Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") that allowed most businesses to reopen albeit with Standard Operating Procedures in place. Since then, we have made significant headway in our expansion strategies, resulting in the opening of a record 94 net stores in the second half of 2020, outpacing the store openings we had in the first half of 2020. Subsequently, we went on during the year to record an impressive year-on-year revenue growth of 12.5%, a remarkable recovery in what has been a very challenging operating environment. We will continue to focus on optimising our operations and growing our business in a disciplined and sustainable manner to create long-term value for our stakeholders.

Our financial performance aside, during the most critical phase of the pandemic when

there was a severe shortage of COVID-19 essential items and the country was under lockdown, we responded quickly and in meaningful ways to help those most in need. We imported and distributed essential COVID-19 items such as protective coveralls, face masks and face shields to frontliners and less fortunate communities to help the nation combat the spread of the virus.

We continued with these efforts throughout the year and also took proactive measures to safeguard our employees and customers. For instance, during the third wave of the pandemic, we consistently tested our employees for COVID-19, sometimes up to 1,000 employees per week. In our stores, we implemented capacity limits to maintain appropriate physical distancing in-store. Furthermore, cognizant that Malaysians all over the country were losing their jobs because of the pandemic, the Group stepped up to offer more than 1,000 jobs in its stores nationwide in June 2020. These positions were filled in a matter of weeks and the Group has continued to hire to support our growth.

Looking ahead, we remain fully committed to growing our corporate social responsibility ("CSR") concerns in support of communities, education and health.

 Turn to our Sustainability Statement to read about our CSR efforts in greater detail.

The Group remains committed to delivering sustainable growth and long-term stakeholder value. In 2020, the Group achieved its target of opening a net total of 141 new stores, comprising 104 Mr D.I.Y. stores, 23 MR TOY stores and 14 MR DOLLAR stores. For the year ahead, we expect to open an aggregate of 175 new stores across these three brands.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express our sincere appreciation to our founders, shareholders, customers, suppliers and employees for your strong support of the Group and its vision. To our employees in particular, your strength and dedication has been inspirational and we thank you for your commitment. We would also like to record our gratitude to the various regulatory bodies and government agencies who have facilitated our continued business expansion.

DATO' AZLAM SHAH BIN ALIAS

31 March 2021

CEO's Statement

“THE GROUP REMAINS FOCUSED ON OUR STRATEGIC INITIATIVES TO DELIVER SUSTAINABLE LONG-TERM GROWTH”

Dear Valued Shareholders,

The year 2020 progressed in contrasting but eventful ways for the Mr D.I.Y. Group. We faced an unprecedented pandemic that greatly impacted the world, while also achieving a historic corporate milestone with our listing on the Main Market of Bursa Securities.



Mr D.I.Y. Mid Valley Megamall, Kuala Lumpur

We deployed our business continuity plans to face the pandemic and the challenges that came with it, enabling us to steadily continue on our growth trajectory. The stellar performance of our share price since the initial public offering (“IPO”) in October 2020 has further cemented the confidence our shareholders have in the future of our business, even in these difficult times.

YEAR UNDER REVIEW

In the year under review, the Group improved on the financial performance of the preceding year, despite the forced closure of stores for an extended period in the first half of the year due to the COVID-19 pandemic.

Group revenue grew 12.5% in the financial year ended 31 December 2020 (“FY2020”), from RM2.28 billion in the financial year ended 31 December 2019 (“FY2019”) to RM2.56 billion, led by a strong performance during the second half of 2020 and positive contributions from new stores. Correspondingly, EBITDA and PAT for the year rose 9.1% and 6.2% year-on-year (“YoY”) to RM694.2 million and RM337.2 million, respectively, partially offset by higher one-off listing expenses in FY2020.

STRATEGIES TO FORGE AHEAD

In the year under review, the Group continued to stay focused on its strategy for growth - opening new stores and expanding its product range to drive like for like sales. We added 141 net new stores across our nationwide network in 2020, bringing our store portfolio to 734 as at 31 December 2020.

We are committed to adding 175 new stores in the next 12-month period to further enhance our portfolio. On the product end, we continue to proactively manage our product offerings, using strict data discipline to identify popular, fast-moving and new products, while phasing out items waning in demand and popularity. In the year under review, our range of active products grew from about 15,000 to almost 20,000 as at 31 December 2020.

Beyond serving our main customer base through Mr D.I.Y. stores, we pursued new store concepts to cater to the unmet needs of different customer segments. The Group launched MR TOY in 2019 to capitalise on growing demand for value-for-money toys. Market trends show that the short attention span of today's young generation and their access to digital content are changing toy buying behaviour. Toys-of-the-moment are commanding their attention, leading to a shift in volume. Value-conscious parents are buying more toys in the course of the year but prefer to pay less for each purchase. This shift in consumer behaviour, coupled with the underserved suburban markets where larger big-name toy stores are not represented, provides a solid growth opportunity for MR TOY.

We launched our first MR DOLLAR store in 2020, aimed at helping Malaysians stretch their ringgit even further. Modelled on dollar stores popular in the United States and Japan, MR DOLLAR offers popular everyday essentials at RM2 and RM5, well below the price-points of established fixed-priced retailers.



The growth of our flagship Mr D.I.Y. brand and new store concepts are important to the Group's continued success. We are not only tapping into the needs of our core demographic but also expanding our ability as a Group to serve customers better, while staying true to our value proposition of "Always Low Prices".

Enabling all of this to happen effectively and efficiently, despite all the challenges of 2020, were our people. The Mr D.I.Y. team is the backbone of our business; the ones who drive this business forward every single day. The resilience of the Group and our brand rests on the shoulders of their efforts - it is the culmination of their teamwork, commitment and dedication. We continue to invest in upskilling our current team and welcoming new talents to ensure our stores continue to deliver an optimal customer experience.

Complementing this have been our partners and associates across our supply chain, who have responded with great energy and wholehearted commitment during these challenging times to ensure that the needs of our customers are met.

ENSURING SMOOTH OPERATIONS

With the expansion of our footprint, efforts across the Group to optimise processes, ensure uninterrupted operations and support sustainable business growth remain a priority. Crucial to this are robust systems that leverage data, technology and automation to improve the accuracy and efficacy of our processes. We also utilise data to optimise inventories and expand our range of white label, exclusive and other third-party brand products. The growth of our average basket size and overall revenue demonstrate that these strategies continue to gain traction. Details of the Group's new robotic warehouse, which further illustrates our use of technology and automation, and will accelerate our e-commerce business, are outlined in the Management Discussion & Analysis section of this report.

Our capability to manage our operations consistently and cost effectively is largely due to our efficient supply chain, which is supported by a centrally managed distribution centre and in-house transport fleet. To further promote cost efficiency, we have simplified our distribution processes and store openings, and introduced the use of modular designs for new stores, leading to more predictable store opening costs and more systematic store rollouts.

Group revenue grew **12.5%**
in FY2020, from RM2.28 billion in FY2019 to
RM2.56 BILLION

CEO's Statement

SUPPORTING OUR COMMUNITY

As a home-grown enterprise focused on meeting the needs of the mass public, we are cognizant of the need to be a proactive, responsible and contributing corporate citizen.

When it became clear in Q12020 that the pandemic would have an unprecedented impact on our under-prepared society, the Group quickly mobilised our entire ecosystem to ensure that we could help Malaysians protect themselves against the spread of the virus. We distributed millions of face masks nationwide and partnered other corporates in the race to secure, import and distribute COVID-19 essentials and personal protective equipment.

We rolled out our *'Stay Safe, Malaysia'* campaign, which ensured much-needed supplies reached healthcare frontliners, other government bodies, Non-Governmental Organisations ("NGOs") and affected communities across the country. This effort was then extended to the police and reserve forces manning district and state borders. We also ensured our supply chain could keep up with demand for healthcare essentials, as well as work-from-home and learn-from-home necessities, in many cases at price points unmatched by other retailers.

Parts of the nation suffered further during the monsoon season, and were badly affected by floods. We extended our *'Stay Safe, Malaysia'* initiative to the affected communities, providing vital supplies to displaced communities.

These efforts were complemented by our ongoing outreach efforts, very much focused on meeting localised needs across the country. These were varied in scale and type – back-to-school necessities for Orang Asli schoolchildren in one remote area, a Do-It-Yourself skills centre in another, the repair of a damaged bridge in a third and so forth. We also channelled much-needed cash and supplies to Zoo Negara when it suffered a cash flow crisis due to the lack of visitors. Our efforts were driven by what different communities needed, but had a single commonality – it made a real and tangible difference to that particular



community, and in many cases resolved issues that were highlighted by our own staff at the local Mr D.I.Y. stores. A fine example of our team working hand-in-hand with the communities in which we operate.

OUTLOOK AND PROSPECTS

Mr D.I.Y. has come a long way since our first store in 2005. Growing to more than 700 stores in 15 years is testament to the foundation and strategies put in place by the management team. We are aware that for our shareholders, the long-term value of the Group is defined by our ability to continue to sustainably deliver our affordable products to the widest market possible.

To achieve this, the Group is evolving from a single-brand retailer to a multi-brand retailer, leveraging the domain knowledge and experience accumulated from our years in the business. Store growth will continue to be a central feature of our strategy and we will strive to extract incremental gains with each store opening through higher sales per store from a wider, more affordable product range. Our e-commerce platform has also further strengthened the brand's resonance with the Malaysian public, making us the preferred one-stop shop for all their home improvement needs.

The Group recognises that a dynamic management team, dedicated colleagues and loyal partners remain the key to our success, and I would like to express my heartfelt thanks for their commitment, professionalism and solidarity. With the support from all stakeholders, we remain committed to delivering sustainable and long-term growth, at "Always Low Prices".

ONG CHU JIN ADRIAN

31 March 2021

Management Discussion & Analysis

“OVERALL, THE GROUP’S PERFORMANCE IN 2020 WAS A REFLECTION OF ITS SUCCESSFUL GROWTH STRATEGY, DESPITE A CHALLENGING OPERATING ENVIRONMENT”

OVERVIEW

- The Group’s FY2020 performance was driven by strong growth across all key financials, despite the economic uncertainties brought about by the **COVID-19 pandemic**.
- Total sales across the Group rose to **RM2.56 billion**, a **12.5%** YoY increase from RM2.28 billion in 2019.
- Gross profit increased by **13.3%** to **RM1.09 billion** (2019: RM963.7 million), leading to a **6.2%** increase in PAT to **RM337.2 million**.
- Consistent with its stated dividend payout ratio of at least **40%** of earnings, the Group declared an interim dividend of **RM43.9 million** in respect of Q4 2020, bringing the total dividend declared in 2020 to **RM139.8 million**.
- The Group enjoys a healthy balance sheet with a net gearing ratio of 0.2 times, following the full repayment of a **RM400.0 million** term loan in November 2020.
- The Group ended the year with **734 stores**, **23.8% more** compared to 593 at the close of 2019.

EXECUTIVE SUMMARY

2020’s sterling results were mainly driven by three key strategies - the opening of new stores, driving incremental same-store sales growth (“SSSG”), whilst keeping a close watch on operational efficiencies.

Net store growth in 2020 was 141, with new stores contributing positively to the bottom line. Revenue from new stores contributed 8.5% to overall sales, demonstrating that the strategy of penetrating wider and deeper into the population spread was bearing fruit.

Restrictions on travel and movement had moderate impact on overall revenue, as Mr D.I.Y.’s network of 734 stores, nationwide presence and broad range of products provided customers the convenience and proximity they needed to procure their everyday essentials. SSSG rose 4.4%, more than double the 1.8% seen in 2019 (SSSG of our stores for a 12 months period is calculated by dividing the revenue generated by the stores during that period after deducting the revenue generated by those same stores during the immediate preceding period of the same duration, by the revenue generated by those same stores during the immediate preceding period of the same duration. SSSG for a 12 months period can therefore only be calculated for the stores which have been in operation for a minimum of 24 months).

The year also saw a change in the patterns for SSSG. Standalone stores showed a marked growth of 14.5%, while stores in malls and shopping centres dropped 1.9%, which resulted in

a blended SSSG of 4.4% for the full year 2020 (excluding sales from all stores from 18 March to 3 May in the current and prior period of 2020 and 2019, to reflect the lockdown).

The results can be attributed to the positive increase in MR DIY’s average basket size, which rose 18% in 2020. The Group’s adherence to data discipline and inventory analysis ensures it has relevant products to market at the right time. This was particularly crucial during this period as the group navigated the volatility caused by the COVID-19 pandemic.

In December 2019, Mr D.I.Y. also introduced a curated range of Food & Beverage (“F&B”) products at a limited number of retail stores. Despite starting from a zero base and in a challenging retail period, sales of F&B items constituted 2.0% of total revenue in 2020. This can also be attributed to the convenience of shopping at Mr D.I.Y.; customers trying to minimise time outside the home found it convenient to shop at Mr D.I.Y. for a broad range of essentials.

These results are a reflection of a change in consumer behaviour in what was effectively an unusual year, when customers avoided crowded shopping spaces in favour of the more easily-accessed standalone stores closer to home. It must be noted however that this is not necessarily an emerging pattern for the future, but more likely an anomaly of the times.

Improving cost efficiencies was naturally also a key area of focus in 2020. The cost of rental, employee benefit and utilities form a significant portion of

Management Discussion & Analysis

operating expenses. During the year, the Group focused more efforts than usual to generate operational efficiencies and reduce operating expenses. For instance, the Group has sought to improve energy efficiencies by piloting the use of inverter air conditioning systems in-store, and exploring option of alternative energy sources at our warehouses. The Group also carried out optimisation of its operations to manage efficiencies by obtaining rental rebates to stores particularly affected by closures due to the pandemic and actively managed its human resource requirements in the challenging operating environment arising from COVID-19.

Mr D.I.Y. stepped up efforts to recruit new talents across all segments of its workforce in 2020, becoming one of very few retail companies to offer new job opportunities in what was a subdued retail and job environment.

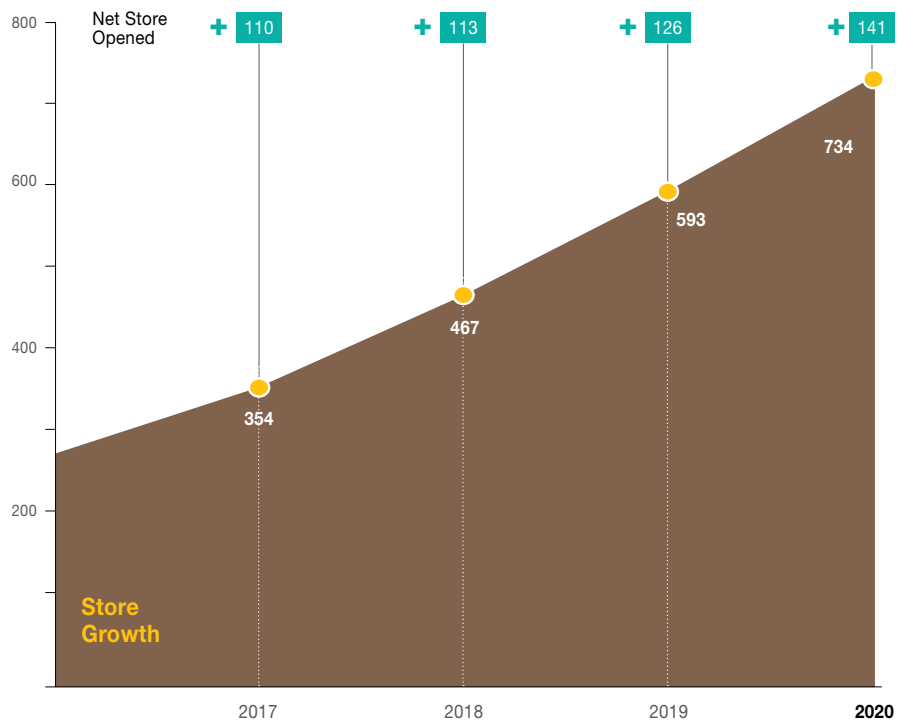
From a product perspective, Mr D.I.Y.'s range of white label and in-house products saw strong growth in 2020, a reflection of a change in buying behaviour. Value-seeking consumers, conscious of the possible long-term effects of the pandemic on household incomes, showed a preference for Mr D.I.Y. - branded products, known for their reliability and efficacy at accessible price points. The Group will be looking to increase this range in coming years.

To cater to future growth, Mr D.I.Y. stepped up efforts to recruit new talents across all segments of its workforce in 2020, becoming one of very few retail companies to offer new job opportunities in what was a subdued retail and job environment. In June 2020, Mr D.I.Y. conducted a nationwide job recruitment exercise to fill over 1,000 new positions across its operations. The exercise drew

immense interest, resulting in over 30,000 total applications. More than 40% of new recruits consisted of graduates who took positions ranging from store assistants to assistant supervisors. The exercise also drew accolades and recognition from government and community leaders, who applauded Mr D.I.Y.'s efforts to keep Malaysians employed and earning during the pandemic.

BUSINESS OVERVIEW

Store Growth



The Group continued on its expansion strategy in 2020, opening a record 141 net new stores, exceeding the target of 132 store openings set at the beginning of the year. These comprised 104 Mr D.I.Y. stores, 23 MR TOY stores and 14 MR DOLLAR stores. Of the 141 stores, 80 were standalone stores while the remaining were in malls. Total capital expenditure (“capex”) on new stores for the year was approximately RM90 million, which translated to an average RM619,000 per store across the three brands, broadly in line with capex of prior years.

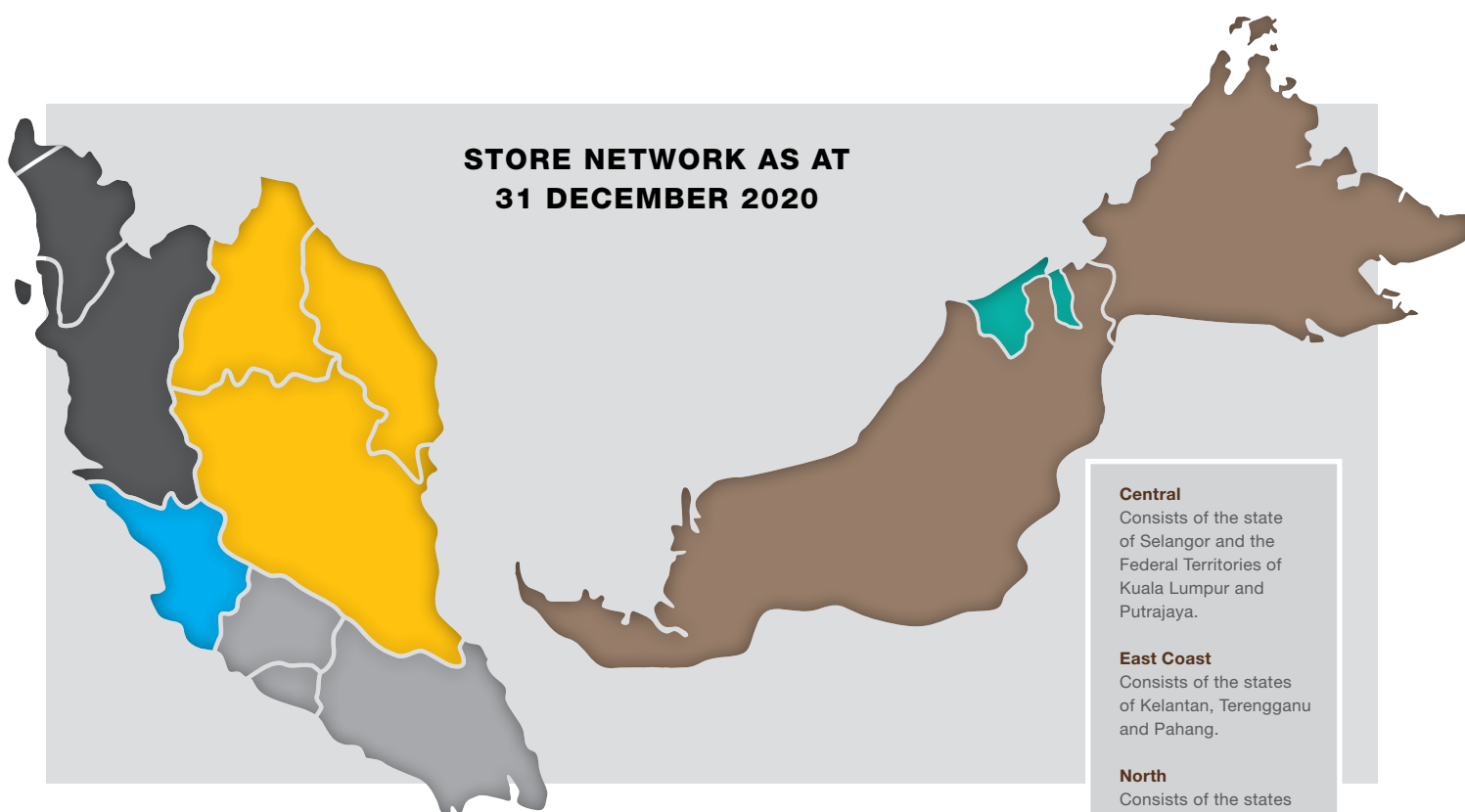
Store breakdown

The proportion of standalone stores increased slightly from 42% in 2019 to 45% in 2020, with a corresponding decline for mall-based stores. Standalone stores made up a larger portion of new store openings, given the decline in foot traffic to malls due to the pandemic.



Management Discussion & Analysis

STORE NETWORK AS AT 31 DECEMBER 2020



Central

Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

East Coast

Consists of the states of Kelantan, Terengganu and Pahang.

North

Consists of the states of Perlis, Kedah, Pulau Pinang and Perak.

South

Consists of the states of Johor, Melaka and Negeri Sembilan.

East Malaysia

Consists of the states of Sabah and Sarawak, and the Federal Territory of Labuan.



NORTH

Total Stores: **126**
2020 Additions: **29**



EAST COAST

Total Stores: **110**
2020 Additions: **11**



CENTRAL

Total Stores: **245**
2020 Additions: **61**



SOUTH

Total Stores: **145**
2020 Additions: **22**



EAST MALAYSIA

Total Stores: **104**
2020 Additions: **18**



BRUNEI

Total Stores: **4**
2020 Additions: **-**

**THE ONLY HOME IMPROVEMENT RETAIL CHAIN WITH A NATIONWIDE PRESENCE,
WITH ALL STORES DIRECTLY OPERATED AND MANAGED BY THE GROUP**

PERFORMANCE OVERVIEW

Revenue

Revenue in the year under review increased by 12.5% to RM2.56 billion, compared to RM2.28 billion in 2019, despite the mandatory closure of stores as a result of the MCO in the first half of the year. Average monthly transactions for the year trended lower at 8.0 million compared to 8.4 million in 2019, compensated by a marked increase in average basket size, which increased by 18.0% YoY to RM26.2. The revenue increase can also be attributed to overall higher SSSG, which rose by 4.4%, as well as positive contributions from new stores.

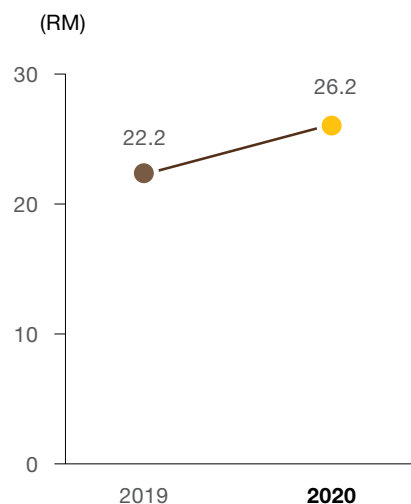
The impact of the pandemic on revenue in the first half of 2020

The Group's performance was affected during the first half of the year due to limited operating hours and store closures, but recovered strongly in the second half of the year. The impact on revenue was most pronounced in March and April 2020, with only 17 full trading days and a limited number of stores opened during the period of lockdown.

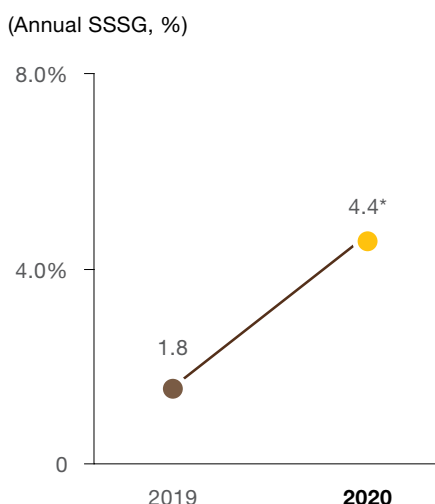
Management Discussion & Analysis

Revenue rebounded sharply upon the reopening of business in May and June, with average monthly revenue of RM232.8 million compared to RM84.5 million in March and April. The Group continued to experience elevated demand well into the third and fourth quarter as average monthly revenue rose to RM246.7 million and RM256.1 million respectively. The revenue improvement was mainly a result of the increase in average basket size.

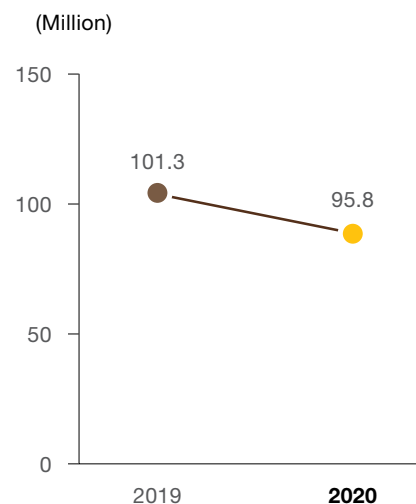
Average Basket Size Performance



SSSG Performance



Total Transaction

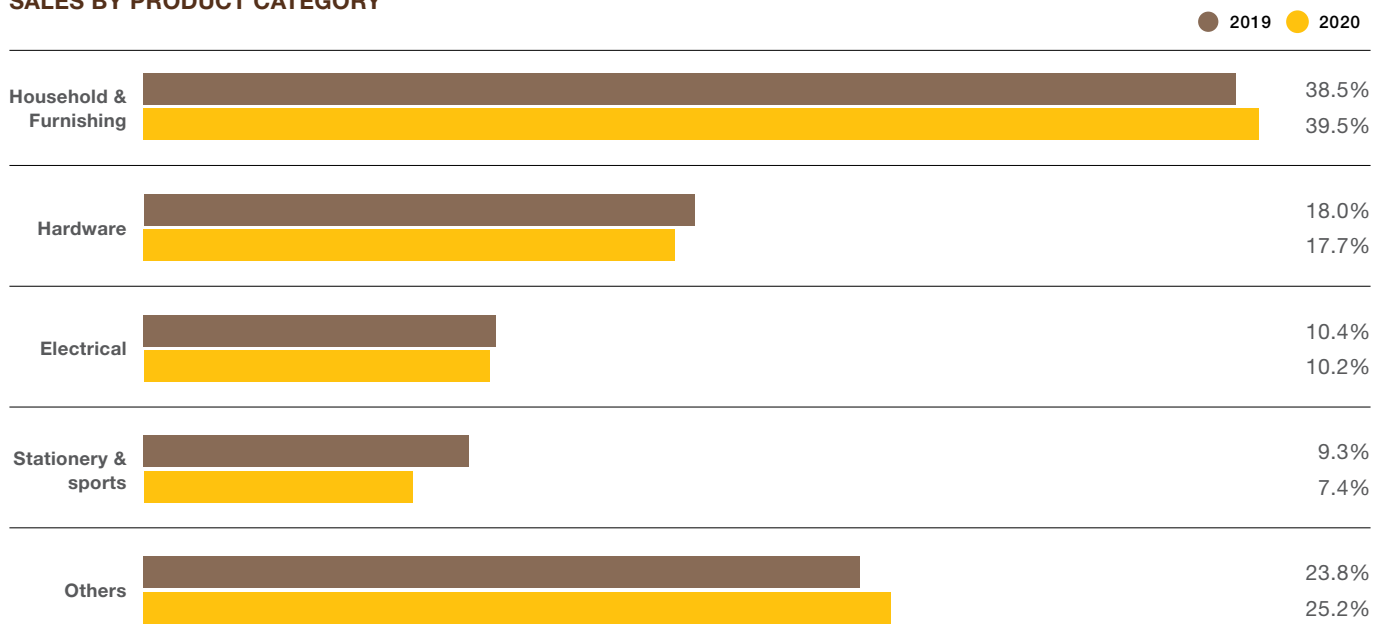


The average basket size increased from RM22.2 in 2019 to RM26.2 in 2020, largely due to pent-up demand post-lockdown, improvements to the product range, as well as a change in consumer shopping patterns, with shoppers consolidating purchases and prioritising health, safety and convenience amidst the pandemic. However, total transactions in 2020 declined to 95.8 million compared to 101.3 million in 2019, mainly due to the forced closure of stores during the lockdown period.

SSSG grew from 1.8% in 2019 to 4.4% in 2020, despite store closures during the lockdown. This was largely attributed to improved consumer sentiment toward home improvement products during the second half of the year, which significantly boosted sales.

* Adjusted 2020 SSSG excludes sales from all stores from 18 March to 3 May in the current and prior period of 2020 and 2019 to reflect the lockdown

SALES BY PRODUCT CATEGORY



Management Discussion & Analysis

There were moderate shifts in the merchandising sales mix in the year under review, mainly due to the impact of the pandemic. As an example, there was an increase in demand for household and furnishing items during the prolonged movement restriction period. The Group introduced F&B products at 89 Mr D.I.Y. stores in December 2019, to positive response from customers. This was expanded to 349 stores by the end of 2020, including the 14 MR DOLLAR stores that opened in 2020.

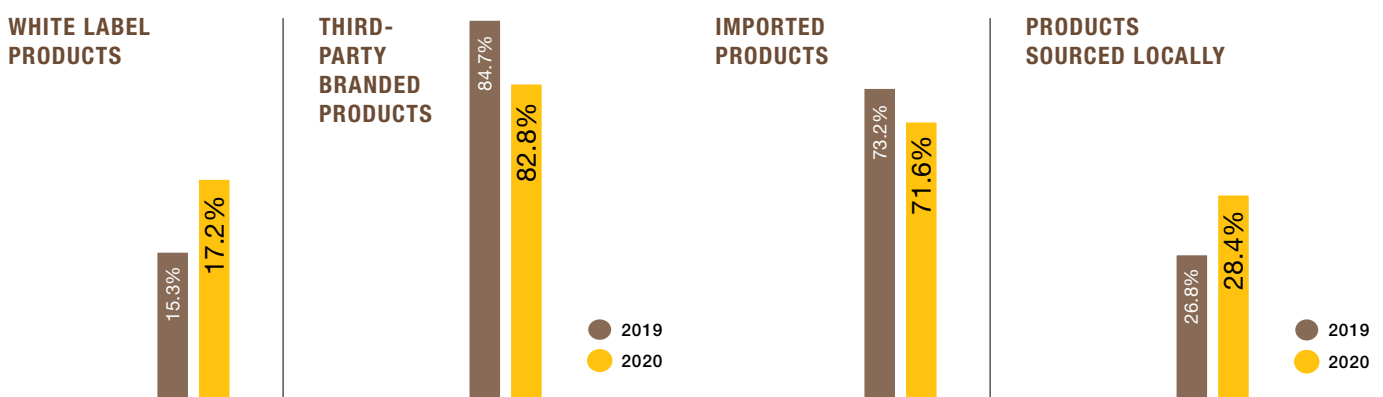
Noticeably, there were several shifts in the merchandising sales mix:



PRODUCT SELECTION AND MERCHANDISING MIX

The Group is committed to ensuring the continued relevance and quality of its products. All proposed new products are evaluated based on market trends, product quality, price, and manufacturers' feedback on their best-selling products. In addition, the Group conducts quarterly product reviews, assessing product sales volumes, inventory turnover and sales margins to ascertain each product's optimal shelf space.

The Group sells third-party branded products including reputable brands such as Phillips, Dunlop, Faber-Castell, WD-40 and Energizer, but also works with global manufacturers to create white label products that carry the 'Mr D.I.Y.' or 'Mr D.I.Y. Premium' brands.

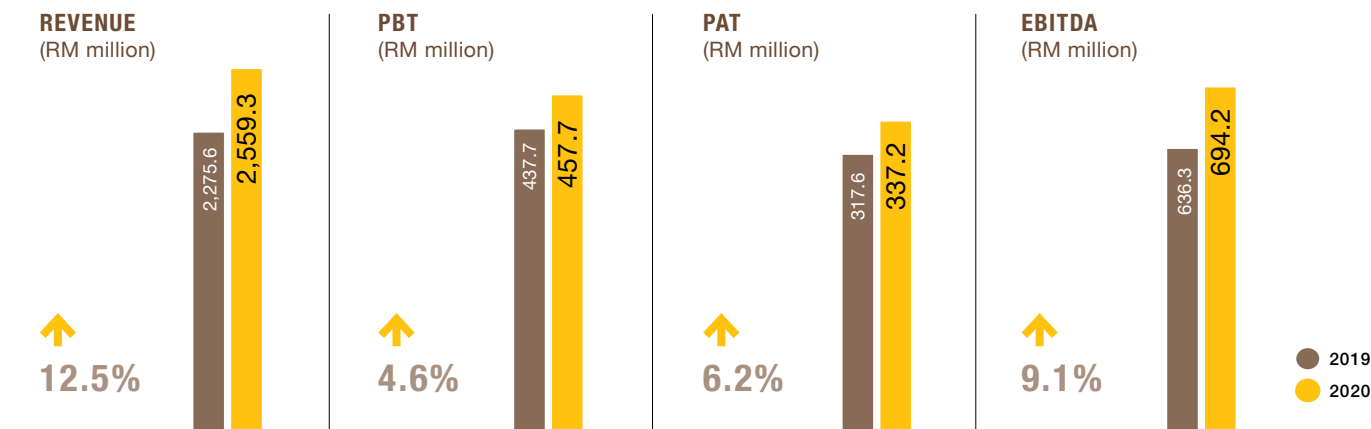


While most of the products sold at the Group's stores are predominantly third-party, Mr D.I.Y.'s white label products offer customers a higher price-to-quality value proposition compared to third-party branded products. This has been well-received by customers, reflected in the sales growth of white label products from 15.3% in 2019 to 17.2% in 2020. Third-party branded products made up the respective balances. Going forward, the Group will continue to evaluate the introduction of more such white label products.

The Group's procurement primarily consists of product inventory for its own stores, mainly sourced from end suppliers, manufacturers and distributors in Malaysia and other countries. Imported products decreased from 73.2% in 2019 to 71.6% in 2020, with products sourced locally increasing from 26.8% in 2019 to 28.4% in 2020. Imported products will continue to be an important aspect of the Group's merchandising strategy.

Management Discussion & Analysis

KEY FINANCIAL METRICS



The Group recorded positive YoY growth for gross profit, EBITDA and PAT. For the year, gross profit improved by 13.3%, EBITDA by 9.1% and PAT by 6.2%, respectively.

Gross profit margin, meanwhile, increased slightly to 42.6% compared to 42.3% in 2019 while EBITDA and PAT margins were slightly lower, primarily because the Group continued to incur overheads despite the closure of stores during the MCO.

The Group also reported higher other income of RM22.0 million for FY2020, compared to RM10.3 million in the preceding year, mainly attributed to rental concessions of approximately RM10.4 million that were obtained from landlords arising from the mandatory closure of stores during the lockdown period.

Administrative and operating expenses increased by 46.1% and 20.6% YoY respectively, largely attributed to business expansion that resulted in an increase in staff costs, costs related to application for business licences, marketing and promotional activities, depreciation of right-of-use assets and approximately RM12.7 million of one-off listing expenses.

On 26 October 2020, the Group marked a historic milestone with its listing on Bursa Securities. The listing was Malaysia's largest IPO in 2020, with a market capitalisation of

RM10 billion and RM1.5 billion of proceeds raised from both institutional and retail investors. Mr D.I.Y. shares have risen from strength to strength since its listing price of RM1.60, and closed the year trading at RM3.12 on 31 December 2020. Both PAT and EBITDA margins were lower due to listing expenses. However, the listing allowed Mr D.I.Y. to pare down borrowings significantly, which will positively impact interest expense moving forward.

While revenue from Mr D.I.Y. stores grew in 2020 driven by new store openings and growth in average store revenue, revenue for MR TOY stores saw a drop during the lockdown period. This can be attributed to the change in consumer sentiment during the pandemic lockdown, with household wallets prioritising essentials. However, MR TOY saw improvements in sales and average basket size post-lockdown, with total transactions increasing from 136,000 to 552,000 for the period under review, which bodes well for performance going forward.

MR DOLLAR is still very much in its infancy, but early indicators are that consumers resonate with the brand's promise of value at fixed prices.

KEY BALANCE SHEET MATTERS

	2019 (RM million)	2020 (RM million)	Variance (%)
Total Assets	1,824.0	2,253.0	23.5
Total Liabilities	1,483.5	1,376.3	(7.2)
Total Equity	340.5	876.7	157.5
Total Liabilities & Equity	1,824.0	2,253.0	23.5

For the year under review, the Group's total assets rose RM429.0 million mainly due to an increase in right-of-use assets (+RM189.0 million), property, plant and equipment (+RM82.3 million) and inventories (+RM193.4 million), in line with the increase in the total number of stores. Inventories and inventory turnover days were slightly higher in anticipation of higher sales going forward.

Management Discussion & Analysis

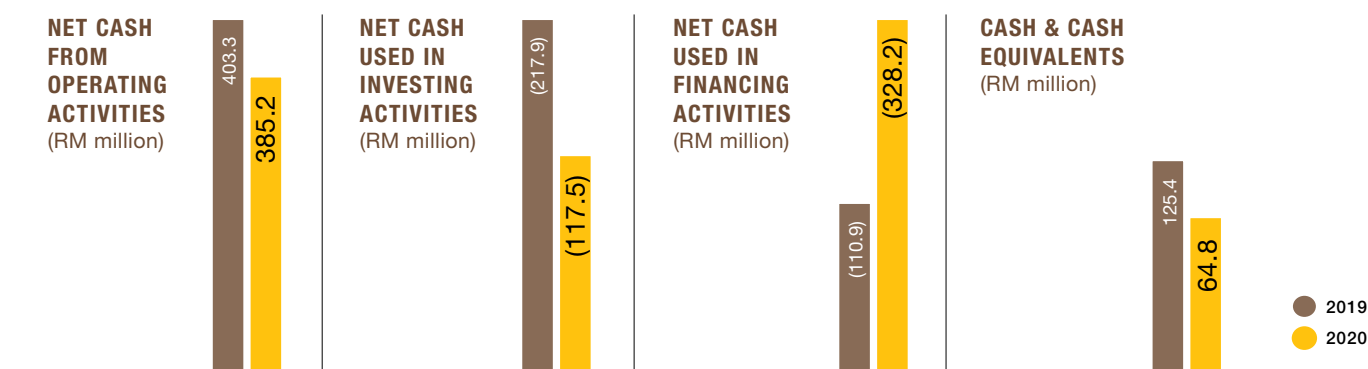
The Group's total liabilities reduced by RM107.2 million with the notable variance in the year under review being the full repayment of a RM400.0 million term loan primarily via the proceeds from our IPO in November 2020, which resulted in a significantly lower net gearing ratio of 0.2 versus 1.4 in the prior year.

Total shareholder equity increased by 157.5% to RM876.7 million, corresponding to the additional equity raised from the IPO.

	2019	2020
Trade Payable Turnover Days	6 days	8 days
Trade Receivable Turnover Days	0 days*	0 days*
Inventory Turnover Days	127 days	148 days

* less than a day

KEY CASH FLOW MATTERS



The Group's cash flows remained strong with net operating cash flow remaining stable at RM385.2 million despite the disruptions caused by the pandemic. Interest expense increased YoY primarily due to higher lease liabilities as a result of the increase in the number of stores. Cash and cash equivalents as of FY2020 were lower, mainly attributed to the repayment of borrowings and payment of dividends.

OTHER OPERATIONAL UPDATES

Building a strong talent pool

The Group continued to focus on the development of its talent pool. Its current workforce stands at approximately 11,600 employees Group-wide, a net increase of 2,100 over the preceding year. 86.8% of the total workforce is Malaysian, while 13.2% are foreign.

In total, the Group invested more than 124,000 hours on external and internal training programmes which benefited more than 5,000 employees, with each employee receiving on average 25 training hours in the course of the year, excluding on-the-job training.

The Group has clear succession plans in place for a majority of the key managerial positions, and continues to invest in career development strategies for its key employees. It has also improved on its employee value proposition this year, with its listing on Bursa Securities being a key influence.

Optimising Resource Consumption

In a bid to reduce energy utilisation, the Group is exploring energy optimisation strategies that include utilising energy-efficient air-conditioning systems in stores, which will in turn unlock cost benefits and help mitigate its carbon footprint.

In November 2020, the Group piloted a three-month programme at three stores to evaluate potential energy savings from energy-efficient air-conditioning systems and the potential for the mass roll-out of these systems to all stores. The Group is also exploring tax benefits that can be derived from the utilisation of such systems under the government's MyHijau programme.

For more information on the Group's efforts to limit its impact on the environment, please turn to page 26 of the Sustainability Statement in this report.

Management Discussion & Analysis

Growing E-commerce

The pandemic resulted in a marked shift in online shopping behaviour. Sales from the www.mrdiy.com.my website and third-party platforms benefited immensely from this shift, with e-commerce revenue for the 6-month period ended 30 June 2020 rising to RM17.0 million, compared to RM2.6 million for the corresponding period of 2019. Post-lockdown, the Group's e-commerce revenue normalised, recording RM21.7 million in revenue for the full year.

E-commerce will be an increasingly important platform for the Group going forward, which is leveraging on technology to unlock greater benefits from this channel, as it aligns the business to the Fourth Industrial Revolution ("IR 4.0").

In March 2021, the Group launched a 65,000 sq. ft. robotic warehouse in Malaysia, as a strategic initiative to drive efficiencies and growth. Located in Seri Kembangan, Selangor, the warehouse is equipped with 23 programmable robots that are able to fulfil online purchases faster compared to a manual system, resulting in a 200% increase in operational efficiency.

Existing warehousing facilities and purchase of land for future capacity

The Group's central distribution centre, comprising 13 closely-located facilities totalling over 700,000 sq. ft. in Balakong, Seri Kembangan and Port Klang, Selangor, serve to efficiently receive deliveries, record and store inventories, plan distribution routes and maintain the Group's fleet of delivery trucks.

On 5 August 2020 and 14 September 2020, the Group entered into two separate agreements to acquire a plot of freehold land together with a warehouse building and a plot of leasehold land located close to the existing distribution centre in Balakong, Selangor. The plots comprise approximately 80,300 sq. ft. and 85,340 sq. ft., purchased for a total cash consideration of RM17.8 million and RM12.6 million, respectively. The Group's intention is to develop both plots to expand its warehousing facilities.



Mr D.I.Y. Robotic Warehouse

Management Discussion & Analysis



MR DOLLAR Taman Maluri, Kuala Lumpur

RISKS

As with any business, the Group is exposed to some risks, mainly operational disruptions and changes to consumer spending.

Operational disruptions can range from temporary closures of individual stores due to facility issues, or in the case of the COVID-19 pandemic, due to the forced closure of the storewide network due to MCO. However, the Group has, following the first MCO from March to May 2020, been recognised as an essential retail service by the regulatory authorities and has been allowed to operate as usual, thus mitigating this risk.

Changes in consumer spending do impact general retail behaviour, but the Group has been able to minimise these risks by adjusting its inventory and merchandise mix to suit the demands of the time. By pivoting merchandise mix during the pandemic to focus on household essentials, preventive and protective equipment and gear, and home improvement items, the Group was able to demonstrate that it was capable of remaining relevant despite changing customer behaviour and sentiment.

It therefore does not expect to face any major risks to business and operations.

2021 & BEYOND

Going against the general retail trend, and at a time when other retailers are scaling down operations or rethinking expansion strategies as a result of the pandemic, the Group is committed to its growth strategy.

This includes:

- The strategic and disciplined expansion of its store network, with **175 new stores** planned in 2021 across its three brands – **Mr D.I.Y., MR TOY and MR DOLLAR**
- To drive earnings through **store network expansion, revenue per store and other operating efficiencies**
- **Adopting technologies and improving efficiencies** to further improve performance going forward
- Refining and improving our product mix at **MR TOY** and building a broader range of value items at **MR DOLLAR** to better reflect current customer sentiment and purchase behaviour

The Group's efforts have not gone unnoticed. In October 2020, the Group took home the Malaysia Home Improvement Retail Market Leadership Award at the 2020 Frost & Sullivan Best Practices Awards, in recognition of its achievements in Malaysia's home improvement retail industry. The Best Practices Awards recognise people and organisations that have accomplished an innovative or disruptive breakthrough, and exhibited exemplary achievements in strategies and processes.

The Group is well on course to maintain its position as Malaysia's leading home improvement retailer.

Our Sustainability Journey

EMBEDDING SUSTAINABILITY, STRENGTHENING GROWTH

We are building an inclusive society through our responsible and proactive actions.

ABOUT THIS STATEMENT

We are pleased to present Mr D.I.Y.'s Sustainability Statement in conjunction with our inaugural Annual Report. This report details our sustainability practices with regards to economic, environmental and social considerations in the Group's business operations. Mr D.I.Y. is committed to its sustainability agenda and is striving to embed appropriate elements of sustainability across our business. As part of this process, the Group conducted stakeholder engagements to better understand their expectations and followed this up with a materiality assessment to determine the material issues important to us. In doing so, we will be better-positioned going forward to create long-term sustainable value by addressing issues important to the business and our stakeholders.

WE ARE GUIDED BY THE FOLLOWING 3 SUSTAINABILITY PILLARS



SCOPE, BOUNDARIES, AND REPORTING FRAMEWORK

The statement covers the activities carried out by our Group during FY2020 and discusses the sustainability performance of the Group. In this statement, we have aligned our reporting with the Global Reporting Initiative ("GRI") Standards and the Bursa Securities Sustainability Reporting Guide.

FEEDBACK

We appreciate feedback and comments about this statement. Readers may contact us at scom@mrdiy.com.

SUSTAINABILITY GOVERNANCE

Sustainability at Mr D.I.Y. is overseen by a Sustainability Committee ("SCom") consisting of representatives from various departments including Finance, Human Resource Management, Procurement, Retail Operations, Warehouse & Distribution, Marketing & E-Commerce, and Corporate Secretariat. The SCom is responsible for undertaking and implementing sustainability initiatives and ensuring a proper record is kept of its activities and outcomes.

The SCom reports to the Management Committee which is guided by the Chief Executive Officer who oversees the progress of the sustainability initiatives. Final oversight lies with the Board of Directors which sets the overall sustainability agenda and approves the sustainability statement and its contents.

Our Sustainability Journey

STAKEHOLDER ENGAGEMENT

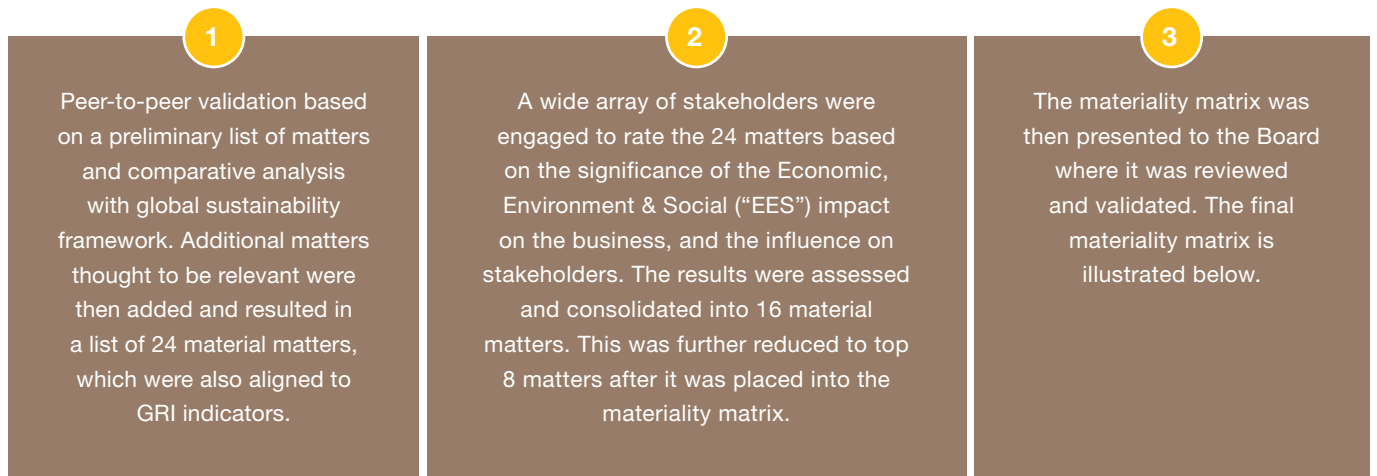
The Group believes that our stakeholders play an integral role in ensuring the sustainability of our business. By engaging them and cultivating strong relationships, we are better apprised of their concerns and interests, which in turn enable us to build a strong business.

Stakeholder Group	Expectations & Concerns	Method of Engagement	Frequency	Our Response
Regulatory Bodies & Government Agencies	<ul style="list-style-type: none"> Regulatory framework governing business operations and product licensing Sustainability practices and reporting Legal compliance, statutory duties and responsibilities 	<ul style="list-style-type: none"> Consultations Meetings/Discussions Attendance at seminars, forums, and dialogues organised by the respective bodies and agencies Participation in events and close engagement with regulators 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Collaboration and close engagement with the relevant authorities and agencies to ensure full compliance with laws and regulations
Shareholders	<ul style="list-style-type: none"> Business performance Sustainable growth and dividends Strategy and vision 	<ul style="list-style-type: none"> Annual Reports Quarterly financial results announcements Annual General Meetings Analysts and investor meetings and roadshows Mr D.I.Y. Investor Relations webpage 	<ul style="list-style-type: none"> Annually Quarterly As required Ongoing 	<ul style="list-style-type: none"> Timely updates on business, financial and strategic performance
Customers	<ul style="list-style-type: none"> Product variety Pricing Customer experience Promotions and product recommendations 	<ul style="list-style-type: none"> Mr D.I.Y. Stores Mr D.I.Y. E-Commerce website Above the line advertising Digital marketing 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Monthly introduction of new product ranges Affordability of products - Always Low Prices One-stop store for home improvement needs Promotions and discounts Cool hacks / Blogs / Videos / Key Opinion Leaders
Suppliers	<ul style="list-style-type: none"> Onboarding programme Relationship management Business development Pricing/new items/products <ul style="list-style-type: none"> New products Favourable terms of payment/contract 	<ul style="list-style-type: none"> Formal and informal meetings and events Product-sharing sessions and networking Exchange of products 	<ul style="list-style-type: none"> Ongoing As required 	<ul style="list-style-type: none"> Conducting engagement sessions to share the Group's short-term plans Discussing market landscape and trends Ensuring transparent and ethical procurement practices
Employees	<ul style="list-style-type: none"> To be kept informed of the Group's latest strategic initiatives and business development To have a safe and secure working environment 	<ul style="list-style-type: none"> Learning and development Leadership Staff benefits Performance appraisal Internal communications 	<ul style="list-style-type: none"> Monthly Quarterly Annually Ongoing 	<ul style="list-style-type: none"> Various engagement activities Volunteer opportunities On-the-job training Health and safety policies
Media	<ul style="list-style-type: none"> Ethical business practices Health and safety Data protection Updates on Environmental, Social and Governance ("ESG") New innovations and technology Business growth 	<ul style="list-style-type: none"> Face-to-face engagements Dialogues and forums Corporate events 	<ul style="list-style-type: none"> Ongoing As required 	<ul style="list-style-type: none"> Networking and sharing sessions Hosting events with the media Holding press conferences Providing press releases
Local Communities	<ul style="list-style-type: none"> Employment and business opportunities Expectations of corporate social responsibility ("CSR") activities that will benefit communities in areas we operate 	<ul style="list-style-type: none"> CSR activities Skills training Sponsorship and welfare programmes 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Hiring locals in areas we operate Having a comprehensive and holistic #mrdiycares CSR programme that covers community, environment and workplace

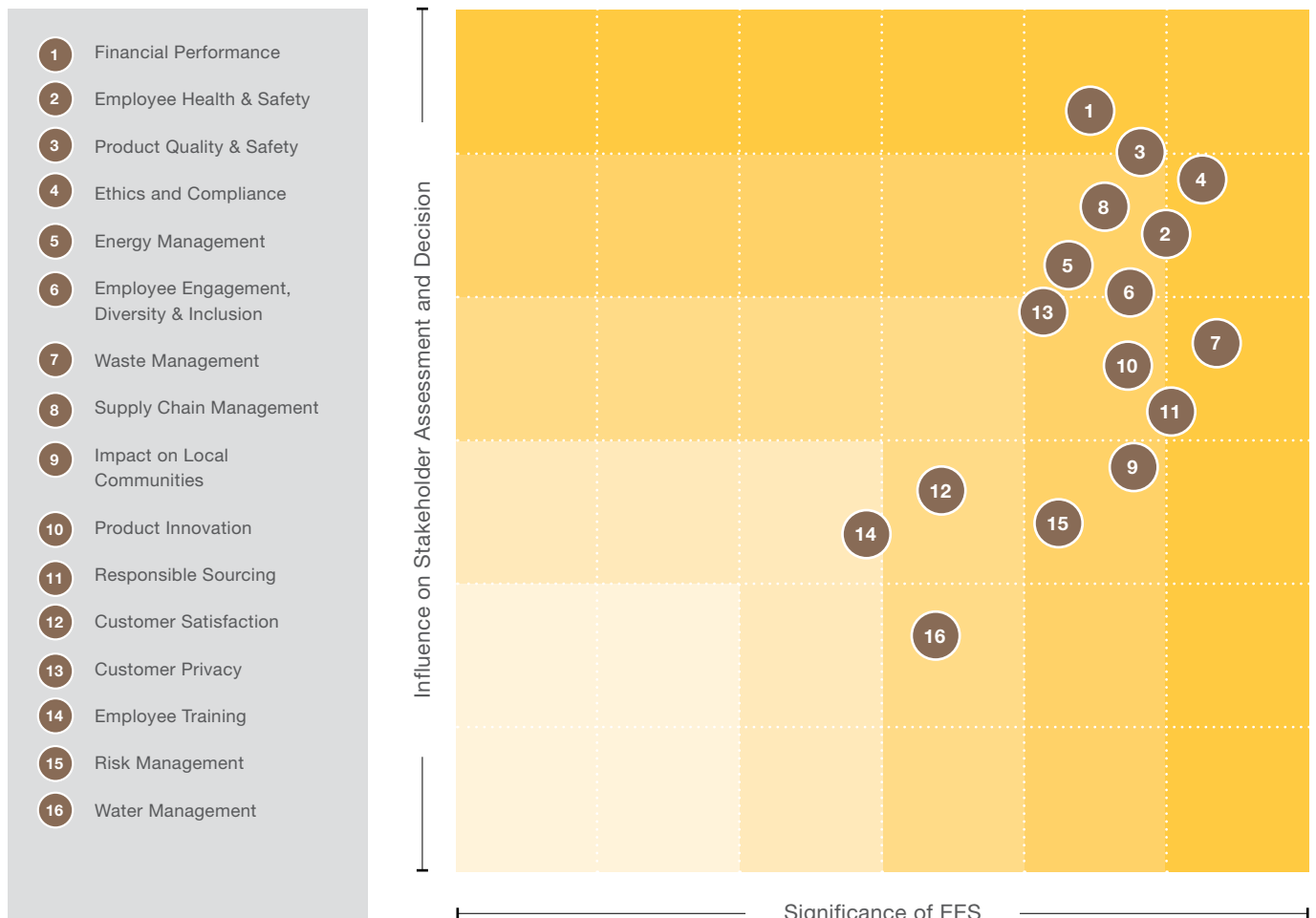
Our Sustainability Journey

MATERIALITY MATTERS

The Group conducted a materiality assessment in order to identify the issues that most impacted the business and that influenced our stakeholders. The assessment helped us to focus on the areas which the organisation should be concerned about, and the prioritisation of the material matters provided additional clarity in the context of relevance, allowing us to formulate the appropriate initiatives to manage the matters. As part of our preparation for the Sustainability Statement, we conducted a three-step assessment to produce a prioritised list of matters and a corresponding materiality matrix, which was then endorsed by the Board.



MATERIALITY MATRIX



- 1 Financial Performance
- 2 Employee Health & Safety
- 3 Product Quality & Safety
- 4 Ethics and Compliance
- 5 Energy Management
- 6 Employee Engagement, Diversity & Inclusion
- 7 Waste Management
- 8 Supply Chain Management
- 9 Impact on Local Communities
- 10 Product Innovation
- 11 Responsible Sourcing
- 12 Customer Satisfaction
- 13 Customer Privacy
- 14 Employee Training
- 15 Risk Management
- 16 Water Management

Influence on Stakeholder Assessment and Decision

Significance of EES

Our Sustainability Journey

Economic



Mr D.I.Y. Taman Peramu Baru, Kuantan

The Mr D.I.Y. Group contributes both directly and indirectly to the local economy through, inter alia, hiring of local talents, purchase of goods and services from local vendors, rental payments for our physical premises and taxes paid to the government. In carrying out our business operations, we seek to ensure that the products sold at our stores are designed and manufactured to meet the appropriate quality, safety standards and certifications.

SUPPLY CHAIN MANAGEMENT

An important aspect of our economic impact is our supply chain that supports our more than 700 stores. Where possible, the Group supports the local economy by procuring products from local suppliers. In 2020, about 28% of the Group's purchases were sourced from local suppliers.

Our procurement process for new products incorporates standard operating procedures to evaluate samples of new products to identify defective, unsafe or uncertified products that could affect the Company's reputation in the market. This also helps us to minimise potential losses from product returns, write-offs, customer complaints or non-compliance with appropriate laws and regulations.

Defective products can be returned by customers in exchange for another product within 7 days of purchase, and the defective product is then flagged to the supplier for remedial action or exchange. In 2020, losses due to product defects amounted to 0.3% of the Group's revenue.

In addition, the Group has established clear guidelines and standard operating procedures for our procurement process to verify and ensure that our products do not infringe on Intellectual Property ("IP") rights held by others.

Data and management information systems play a significant role in the organisation. We have customised software systems in our business which provide us with the relevant operational data to track and fine tune our business processes. These systems enable us to improve our operational efficiency, including minimising order lead time, maintaining store inventory level and tracking store performance, as well as facilitating the delivery of products from our distribution centre to our stores.

In addition, we use data to evaluate our suppliers based on a grading system whereby every product on our shelves is evaluated based on criteria such as inventory turnover, sales and profit margin. Every quarter, new products are introduced and are evaluated along the same criteria. This methodology helps to keep our products relevant and in tune with market demand. It also allows us to have meaningful conversations with our suppliers about their performance.

ETHICS & COMPLIANCE

The Group is committed to ensuring that our business practices conform to applicable laws, regulations and ethical business principles. One of the key initiatives during the year under review was the rolling out of anti-bribery and corruption programmes including training and implementation of related policies and procedures.

In terms of progress, we have since communicated our anti-corruption policies and procedures to all our employees via in-person communication. With regards to the training, all our senior management and members of the Board of Directors have received training on anti-corruption.

Further, we have also communicated to our suppliers, agents and landlords on our anti-bribery and corruption policies. As part of our anti-bribery and corruption compliance programme, we have initiated anti-bribery and corruption training to all our employees by stages with the first stage to all our employees based in headquarters and subsequently be extended to our colleagues stationed at stores.

Our Sustainability Journey

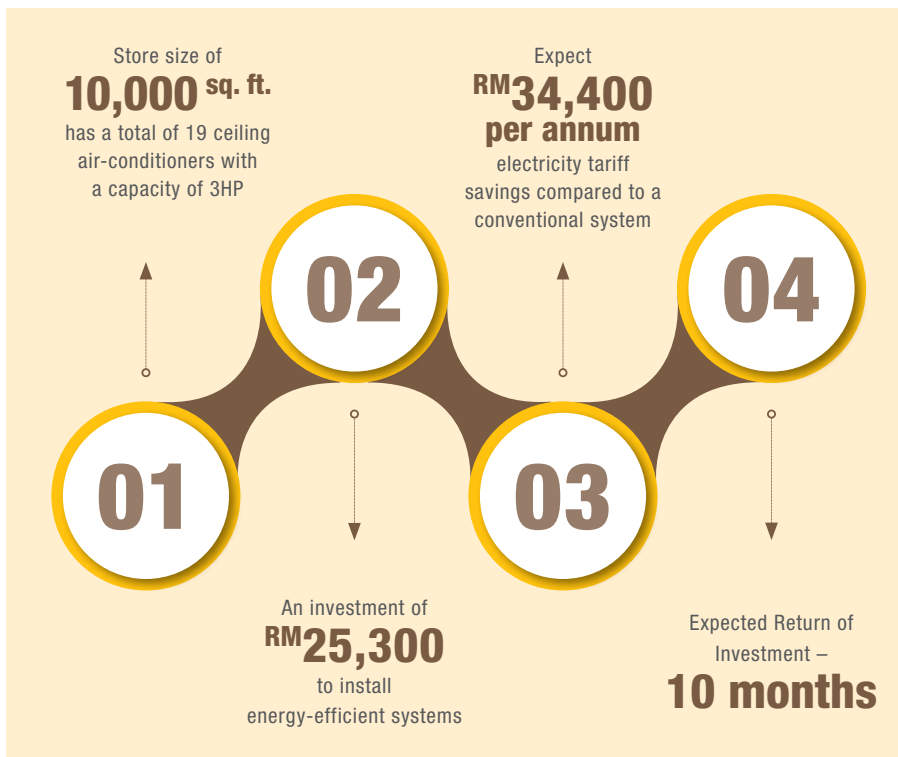
Environmental

The Group’s main impact on the environment is through electricity and fuel consumption utilised by our stores and distribution fleet to power the business. We are committed to improving the way we manage and optimise our energy consumption to mitigate our impact on the environment.

ENERGY MANAGEMENT

The Group tracks and seeks solutions to optimise energy consumption in our premises. Most recently, we commenced a three-month pilot programme at three store locations from November 2020 to evaluate the potential energy savings that can be obtained by using energy-efficient air-conditioners.

Our projections show that energy-efficient air-conditioners have the potential to reduce electricity consumption compared to conventional air-conditioners over the medium term. For example:



In 2020, the Group’s electricity consumption from our distribution centre amounted to 2.9 million kWh while our diesel consumption was about 2.4 million litres.

On a per distribution centre basis, the average carbon emissions from electricity consumption amounted to approximately 160MT CO₂e per distribution centre. On a per vehicle basis, the average diesel consumed produced approximately 69MT CO₂e per vehicle. The Group will continue to explore ways to reduce its energy consumption and its carbon footprint and is exploring the potential of cleaner energy sources such as solar power for our distribution centre.

WASTE MANAGEMENT

The Group aims to reduce the amount of waste it generates. In our operations and supply chains, the Group is exploring a circular economy approach, which is based on the concept that products are designed to last longer and to be reused, repurposed or recycled.

In 2020, the Group received an estimated 4,400 tonnes of boxes from its suppliers, which will be reused before being sold to environmental facilities for recycling. Additionally, the Group purchased 96 tonnes of carton boxes from locally sourced suppliers, primarily used to pack and deliver SKUs from our distribution centre to our stores. These carton boxes are reused at least 18 times before they are sent for recycling.

While plastic provides numerous benefits (including packaging, promoting food safety and reducing food wastage), society has been unable to collect and manage it at the same rate as it is produced. In 2020, approximately 622 tonnes of bio-degradable plastic bags or the equivalent of 0.8 tonnes per store were consumed. To help reduce plastic waste, the Group is working throughout our organisation and with our suppliers to use less plastic, implement reuse and refill models, recycle more and support innovations to improve waste reduction. Going forward, the Group is exploring ways to promote and encourage the use of reusable bags in our stores.

Social

The Group commits a significant amount of resources to social causes as we care deeply about our employees and the communities around us. Being able to positively impact these stakeholders gives us our social licence to operate and is key to the long-term sustainability of the business.

HEALTH AND SAFETY

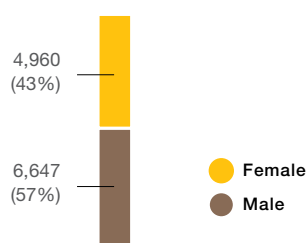
The health and safety of employees at the workplace is a top priority for the Group as we believe that the well-being of our employees is crucial to the longevity of our operations. We organised health and safety training for all staff at our distribution centres and in-store personnel, as well as adhere to standard operating procedures to minimise workplace-related injuries. The training given covers distribution centre safety measures, fire prevention and emergency responses, forklift safety and safety compliance for our employees at the stores. In the combat against the spread of COVID-19, a Standard Operating Procedures ("SOP") has been established in order to ensure that our employees adhere to the strict SOP measures as outlined by the Ministry of Health while they are working at our stores.

One of the safety hazards in our business are the carton boxes present at distribution centre and stores. In 2020, there were 16 minor injuries related to the mishandling of cartons at the distribution centre and across our workplace. To mitigate this risk, bimonthly routine inspections are carried out by our health and safety personnel.

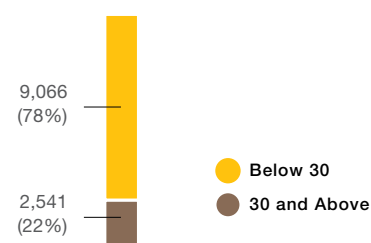
EMPLOYEE ENGAGEMENT, DIVERSITY & INCLUSION

The Group is committed to the diversity of its workforce, as well as fair and equal opportunity at work. Among our 11,607 employees, 57% are male, while 43% are female, and we also have 26 less-abled and four Orang Asli employees. At the Board level, two out of the eight Board of Directors are female.

GENDER



AGE GROUP



By Gender	Female		Male		Total	
	No. of Staff	Percentage (%)	No. of Staff	Percentage (%)	No. of Staff	Percentage (%)
Below 30	3,967	34%	5,099	44%	9,066	78%
30 and Above	993	9%	1,548	13%	2,541	22%
	4,960	43%	6,647	57%	11,607	100%

In terms of employee engagement, the Group believes that having engaged employees will result in greater productivity and satisfaction. To this end, we are a strong advocate of talent development and are committed to investing in upskilling our employees. In 2020, the Group invested in approximately **124,000** training hours for more than 5,000 of our employees. As an equal opportunity employer, the Group does not discriminate against our non-Malaysian employees who receive the same benefits afforded to all employees, including increments, bonuses, incentives and annual company trips.

LONG-SERVING EMPLOYEES

As a result of our efforts to nurture our employees over the years, many have advanced their careers within the Group, moving from floor staff all the way to managing multiple stores. An example is Nabilah Abdul Ghani, who is now a division manager in Perak. Nabilah started out as a promoter in our Ipoh Parade store in 2012 and quickly moved up the ranks, reaching the position of supervisor within a year.

In 2014, she was already overseeing six stores and by 2018, was promoted to division manager in charge of 18 stores and 200 employees. In Nabilah's own words, she said the Group has not only offered her opportunities to advance, but also the relevant training to aid in her success. Nabilah said it has been an amazing experience to work with Mr D.I.Y. as it has given her wide exposure, financial stability and a place to gain knowledge about the retail industry.



Our Sustainability Journey

COMMUNITY ENGAGEMENT AND INVESTMENT

The Group aims to be an embedded member of the communities in which we operate. We believe that supporting and contributing to our local communities through volunteering and philanthropy is an important part of what we offer as a company.

Our work with local communities also helps our employees to find their purpose - boosting employee morale, promoting wellbeing, while benefiting non-profit organisations.

In challenging times, it is gratifying that the Group has been able to provide much-needed contributions to the community when and where they are required. Sharing this common purpose to help people and communities builds goodwill with both our employees and other stakeholders and draws us closer together as a community.

The Group's employees have always endeavoured to make their communities a better place to live and work in. Our community investment programme is driven by strong leadership and local employees, who identify community needs and respond with product donations, contributions in kind and employee volunteering hours as appropriate. This enables our employees to support the causes that are most meaningful to them.

During the COVID-19 pandemic, our community investment has naturally focused on helping to protect those on the frontline. In FY2020, the Group contributed approximately RM4.6 million worth of personal protective equipment ("PPE"), including gloves, masks, face shields and protective suits to numerous organisations around the nation.

Even in the midst of a pandemic, the Group continued to provide products and sponsored in kind to other disaster relief efforts and non-profit organisations.

FY2020 COMMUNITY ENGAGEMENT AND INVESTMENT HIGHLIGHTS

#MRDIYCARES FOR COVID-19

- During the first MCO and at the height of the COVID-19 pandemic (March to May 2020), the nation faced an acute shortage of PPEs, face masks and other protective equipment which frontliners needed to protect themselves.
- During this period, the Group received numerous requests from NGOs, corporate entities, manufacturers and suppliers to assist them in the distribution of various protective equipment and other COVID-19 essentials to hospitals and other health facilities nationwide. The Group utilised its fleet of more than 100 delivery trucks and worked with various organisations to assist in the distribution of much needed essentials to various entities.

“Thank you so much for the donation, this will help us a lot”

Hospital Serdang





“Thank you so much for your contribution Mr D.I.Y.”

Dr. Rickye Gan, Hospital Universiti Sains Malaysia, Kota Bharu



#MRDIYCARES FOR COVID-19: NGOs, Hospitals and other Health Facilities

- Mr D.I.Y. assisted numerous NGOs, such as St. John Ambulance, Pertubuhan Ikram and Mercy Malaysia in their effort to produce face shields for use at hospitals and health clinics.
- The Group also contributed food, plastic containers, safety goggles, cleaning and sanitisation products as well as stationery at the urgent request of hospitals, district health offices, health clinics and COVID-19 quarantine centres.

#MRDIYCARES FOR COVID-19: Police District Offices

- Police District Offices (“PDOs”) faced a shortage of face masks and other equipment for the police personnel on duty.
- Mr D.I.Y. donated 2,560 boxes of face masks and other items such as flash lights, batteries, bleach and raincoats to 123 PDOs throughout the country.

Here are some examples of the Group’s contributions during this period.

Partnership with The Edge COVID-19 Equipment Fund

- A COVID-19 fund was set up by The Edge Media Group with contributions from corporate Malaysia and the Malaysian public to help provide our healthcare workers with PPEs.
- Mr D.I.Y. assisted in the sourcing, sorting and distribution of PPEs to:
 - 46 Hospitals
 - 60 District Health Offices
 - 2 Ministry of Health Offices
 - 5 Health Clinics
 - 2 Health and Medical Centres
 - The Disaster Relief Centre of the State of Sabah
 - Unit for Safety and Enforcement of the State of Sarawak

#MRDIYCARES FOR COVID-19: City Councils

- 2,000 boxes of face masks were donated to 100 city councils throughout the country to help protect their staff on enforcement duties during the MCO.

#MRDIYCARES FOR COVID-19: Ministry of Health

- Mr D.I.Y. supported frontliners by donating 12,832 pieces of PPE, 172,500 pieces of face shields, 288,500 face masks and 21,900 bottles of sanitisers via the Ministry of Health.



“Thank you so much from COVID-19 team for your contributions.”

Pejabat Kesihatan Daerah Semporna

Our Sustainability Journey

OTHER CSR ACTIVITIES IN 2020:

Mr D.I.Y. CNY Commercial - The Gifts Unnoticed

- From 13 January to 8 February 2020, Mr D.I.Y. held a “You Share, We Donate” campaign where RM1 was donated with every Facebook share of its Chinese New Year commercial titled “The Gifts Unnoticed”.
- The commercial garnered 7,121 Facebook shares and a donation of RM7,130 was made to Green Pastures Senior Life Home for senior citizens.

Free Face Masks Press Conference

- On 6 February 2020, in light of the rising number of COVID-19 cases, Mr D.I.Y.’s Chairman, Dato’ Azlam Shah Alias, held a press conference to announce the Group’s CSR initiative of giving away 3.5 million face masks to customers nationwide.

Sekolah Kebangsaan Pos Balar (“SKPB”), Gua Musang



- SKPB is in a remote area that can only be accessed by a 4x4 vehicle and is approximately 90km from Gua Musang town.
- Access to SKPB was cut off due to a damaged bridge, caused by floods.
- Mr D.I.Y. contributed to the repair of the bridge which included sponsorship of the volunteers’ accommodation and equipment.
- Mr D.I.Y. also contributed kitchenware and other basic necessities at the request of SKPB.

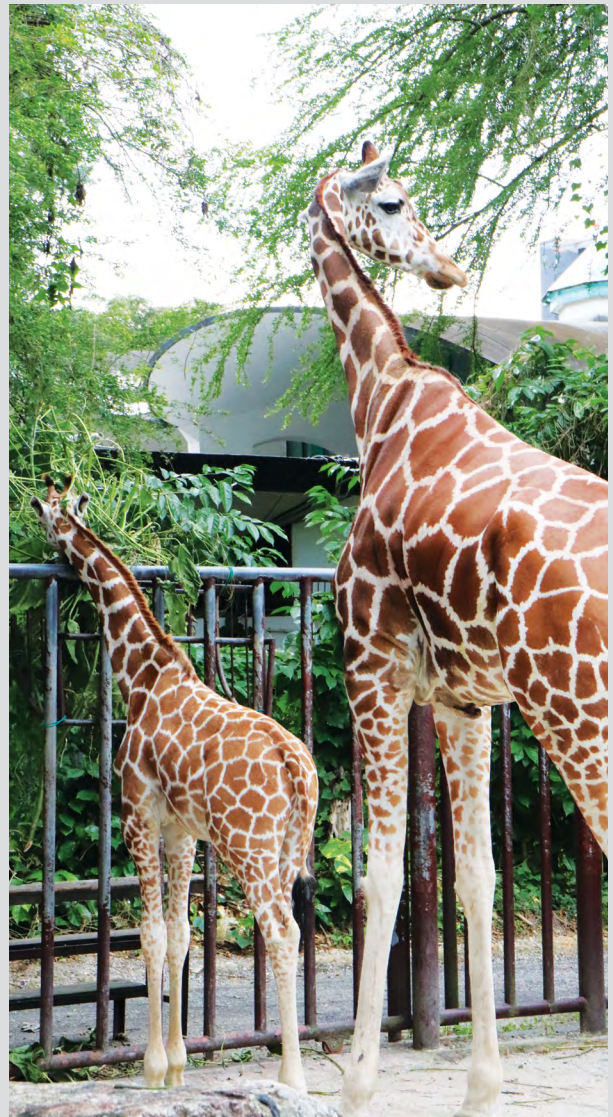
The Zone @ University Malaya Medical Centre

- Mr D.I.Y. contributed to the refurbishment of an old medical records room in University Malaya Medical Centre into a multipurpose room for doctors, medical students and patients to hold meetings and discussions, as well as a venue for small seminars.

Staff Welfare during Floods

- Dozens of our employees were displaced by floods during the monsoon season in the East Coast states. Mr D.I.Y. assisted our employees and family members by providing financial assistance during this period as well as compassionate leave.

#MRDIYCARES Zoo Negara Animal Adoption



- Mr D.I.Y. adopted one Malayan tiger and two giraffes at Zoo Negara when the national zoo faced financial constraints due to the lack of visitors during the pandemic.
- Mr D.I.Y. also donated face masks, tools and other hardware equipment to Zoo Negara.

Board of Directors



From left to right:

NG ING PENG

Independent Non-Executive Director

LENG CHOO YIN

Independent Non-Executive Director

ONG CHU JIN ADRIAN

*Non-Independent Executive Director /
Chief Executive Officer*

**DATO' AZLAM SHAH
BIN ALIAS**

Independent Non-Executive Chairman

TAN YU YEH

*Non-Independent Executive Director /
Executive Vice Chairman*

**BRAHMAL A/L
VASUDEVAN**

Non-Independent Non-Executive Director

Alternate Directors:

(Not in the photo)

TAN YU WEI

*Alternate Director to Tan Yu Yeh /
Executive Vice President*

SOO SZE YANG

*Alternate Director to Brahm A/L
Vasudevan*

Board of Directors

ARC Audit and Risk Management Committee

NRC Nomination and Remuneration Committee

CRC Corporate Responsibility Committee

Chairman

DATO' AZLAM SHAH BIN ALIAS

Independent Non-Executive Chairman
Malaysian / Male / 60

Board Meeting Attendance in 2020: 8/8

Date of Appointment: 1 January 2019

Board Committees Membership: **ARC** **CRC**

Academic/Professional Qualification:

- Bachelor of Business Administration from Eastern Michigan University, United States

Working Experience:

- Senior Adviser to the President and member of the advisory board of Lotuss Stores (Malaysia) Sdn. Bhd. (formerly known as Tesco Stores (Malaysia) Sdn. Bhd.) ["Tesco"]
- Key member of Senior Leadership Board and Regional Property Director of Tesco
- Committee Member of Pusat Perubatan Universiti Malaya Care Fund and Advisor of UMCares, a Community and Sustainability Centre under the auspices of the University of Malaya
- Industry Advocacy Representative of Malaysian International Chambers of Commerce and Industry and Malaysian Retailers Association
- Regional Real Estate Outsourcing Manager of ExxonMobil Asia Pacific Private Limited
- Various roles in retail development of Esso Malaysia Berhad
- Retail Development Representative of Mobil Oil Malaysia Sdn. Bhd.

Present Directorship:

- K-One Technology Berhad, *Independent Non-Executive Director*

ONG CHU JIN ADRIAN

Non-Independent Executive Director / Chief Executive Officer
Malaysian / Male / 50

Board Meeting Attendance in 2020: 8/8

Date of Appointment: 11 February 2019 and redesignated as Chief Executive Officer on 19 May 2020

Board Committee Membership: **CRC**

Academic/Professional Qualifications:

- Member of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants
- Master in Business Administration ("MBA") from the Judge Business School, University of Cambridge, United Kingdom

Working Experience:

- Managing Director of Creador Sdn. Bhd. and Representative of Creador Funds in retail sector companies
- Various senior positions including Senior Managing Director of Investment Banking of CIMB Group
- Director of CIMB-Standard Strategic Asset Advisors Sdn. Bhd. (now Capital Advisors Asia Pte Ltd)
- Audit Supervisor of KPMG, Malaysia
- Auditor of Kingston Smith, London

Present Directorship:

- NIL

BRAHMAL A/L VASUDEVAN

Non-Independent Non-Executive Director
Malaysian / Male / 52

Board Meeting Attendance in 2020: 8/8

Date of Appointment: 31 August 2018

Board Committees Membership: **ARC** **NRC**

Academic/Professional Qualifications:

- MBA from Harvard University Graduate School of Business Administration, United States
- Bachelor of Engineering (First Class Honours) in Aeronautical Engineering from Imperial College of Science, Technology and Medicine, University of London

Working Experience:

- Founder and Chief Executive Officer of Creador Sdn. Bhd.
- General Partner and Managing Director of ChrysCapital Investment Advisor (S) Pte Ltd, a private equity firm focused on growth capital investments in India
- Founding Board Member of Endeavor Entrepreneurs Malaysia
- Board Member of Usaha Tegas Sdn. Bhd.
- Held various roles which include branding, consulting, marketing, strategy and business development in South East Asia and United Kingdom companies such as Malaysian Tobacco Berhad, The Boston Consulting Group International, Inc., British American Tobacco PLC (United Kingdom) and Astro All Asia Networks PLC (now Astro Malaysia Holdings Berhad)

Present Directorship:

- NIL

TAN YU YEH

Non-Independent Executive Director / Executive Vice Chairman
Malaysian / Male / 49

Board Meeting Attendance in 2020: 8/8

Date of Appointment: 1 June 2016 and redesignated as Executive Vice Chairman on 19 May 2020

Board Committee Membership: NIL

Academic/Professional Qualification:

- Bachelor of Science in Physics from University of Malaya

Working Experience:

- Remisier with Inter-Pacific Securities Sdn. Bhd.
- Engineer with Komag USA (Malaysia) Sdn. Bhd.

Present Directorship:

- NIL

NG ING PENG*Independent Non-Executive Director*

Malaysian / Female / 64

Board Meeting Attendance in 2020: 8/8**Date of Appointment:** 1 January 2019**Board Committee Membership:** **Academic/Professional Qualifications:**

- Bachelor of Accounting from University of Malaya
- Member of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants

Working Experience:

- Executive Director and Group Chief Financial Officer of Petra Energy Berhad
- Head of Group Finance of CIMB Investment Bank Berhad
- Head of Operations of PB Securities Sdn. Bhd.
- Financial Controller of RSH (Malaysia) Sdn. Bhd and Reebok (M) Sdn. Bhd.
- Manager of KPMG Management Consulting division
- Senior Auditor of Ernst & Whinney (now known as Ernst & Young)
- Audit Executive of Thornton Baker Chartered Accountants, London
- Financial Accountant of Penang Development Corporation

Present Directorships:

- Petra Energy Berhad, *Independent Non-Executive Director*
- Red Sena Berhad, *Independent Non-Executive Director*

LENG CHOO YIN*Independent Non-Executive Director*

Malaysian / Female / 49

Board Meeting Attendance in 2020: 8/8**Date of Appointment:** 1 January 2019**Board Committee Membership:** **Academic/Professional Qualifications:**

- Bachelor of Arts Degree (Hons) from University of Toronto, Canada
- Chartered Financial Planning, Trust and Estate Planning, and Investment-linked Life Insurance

Working Experience:

- Head, Private Wealth Malaysia, Group Wealth Management, Community Financial Services, Malaysia of Malayan Banking Berhad
- Head of Private Banking and Regional Head of Sales of CIMB
- Regional Sales Manager of Commerce Trust Berhad (now forms part of Principal Asset Management Berhad)
- Regional Sales Manager of Templeton Management Limited, Canada

Present Directorship:

- NIL

TAN YU WEI*Alternate Director to Tan Yu Yeh / Executive Vice President*

Malaysian / Male / 47

Board Meeting Attendance in 2020: 5/7**Date of Appointment:** 3 March 2020**Board Committee Membership:** NIL**Academic/Professional Qualification:**

- Bachelor of Management (Honours) from Universiti Sains Malaysia

Working Experience:

- Director of De Little Chinatown Sdn. Bhd.
- Production Supervisor of Solectron Corp, U.S. in Malaysia

Present Directorship:

NIL

SOO SZE YANG*Alternate Director to Brahma A/L Vasudevan*

Malaysian / Male / 32

Board Meeting Attendance in 2020: 6/6**Date of Appointment:** 22 June 2020**Board Committee Membership:** NIL**Academic/Professional Qualification:**

- Bachelor of Science (First Class Honours) in Actuarial Science from London School of Economics and Political Science

Working Experience:

- Director of Creador Sdn. Bhd.
- Analyst of KV Asia Capital, a private equity firm
- Senior Analyst of Maybank Investment Bank
- Assistant Vice President of HSBC Bank Malaysia Berhad

Present Directorship:

NIL

- 1) Family Relationship with any Director and/or Major Shareholder of the Company:**
Save for Tan Yu Yeh and Tan Yu Wei who are siblings, none of the other Directors have any family relationship with any Director and/or major shareholder of the Company.
- 2) Disclosure of Conflict of Interest with the Company:**
Tan Yu Yeh, Ong Chu Jin Adrian and Tan Yu Wei have interest in companies incorporated overseas which carry on a similar trade as that of the Group or which are the customers of the Company.
Brahma A/L Vasudevan and Soo Sze Yang have interest in companies incorporated locally and overseas which carry on a similar trade as that of the Group.
- 3) Conviction for offences within the past 5 years (other than traffic offences, if any) or have any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2020:**
None of the Directors have any conviction for offences within the past 5 years (other than traffic offences, if any) or have any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2020.
- 4) Directorships in public companies**
Save as disclosed in the Directors' profile, none of the other Directors have any directorship in listed or non-listed companies.

Key Senior Management

LIM CHEN HWEE

Senior Vice President, Finance
Malaysian / Female / 41

Date of Appointment to the Current Position:

1 January 2019

Academic/Professional Qualifications:

- Bachelor of Accountancy from Universiti Putra Malaysia
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Working Experience:

- Joined our Group as Financial Controller in 2017 and was promoted to her current position. She is primarily responsible for statutory reporting and internal management reporting functions for our Group as well as financial planning, treasury, tax and other finance operations.
- Senior Manager of TMF Administrative Services Malaysia Sdn. Bhd.
- Finance Manager of Time Zone Sdn. Bhd.
- Associate Director of BDO Consulting Sdn. Bhd.
- Audit Senior of BDO Binder

Present Directorship: NIL

TAN YEW HOCK

Director and Head, Business Development
Malaysian / Male / 48

Date of Appointment to the Current Position:

1 January 2019

Academic/Professional Qualification:

- London Chamber of Commerce and Industry (LCCI) Certificate in Business Statistics and Management Accounting

Working Experience:

- Joined our Group in 2006 as director in some of our subsidiaries. He is primarily responsible for leading new business opportunities and identifying strategic locations with the objective of developing new markets.
- Account Manager of Intertech Component Sdn. Bhd.
- Treasurer of Inter-Pacific Securities Sdn. Bhd.
- Accounts Clerk of Low & Tan Sdn. Bhd.

Present Directorship: NIL

TAN YEW TEIK

Director and Head, Logistics
Malaysian / Male / 47

Date of Appointment to the Current Position:

1 January 2019

Academic/Professional Qualification:

- Bachelor Degree in Public Management (Honours) from Universiti Utara Malaysia

Working Experience:

- Joined our Group in 2013 in charge of overseeing store operations and was promoted to his current position. He is primarily responsible for developing our logistics including importation of our products from overseas to our distribution centre, as well as distribution of the products to our retail stores in East Malaysia and Brunei.
- Purchasing Manager of De Little Chinatown Sdn. Bhd.
- Customer Service Engineer of AE Technology Sdn. Bhd.
- Production Executive of Solectron Technology Sdn. Bhd.

Present Directorship: NIL

HOE LYE PENG

Vice President, Distribution Centre
Malaysian / Male / 55

Date of Appointment to the Current Position:

1 January 2019

Academic/Professional Qualification:

- Bachelor of Arts (Honours) in Economics from Universiti Utara Malaysia

Working Experience:

- Joined our Group as a Store Manager in 2013 and was promoted to his current position. He is primarily responsible for all warehouse activities.
- Warehouse and Logistics Manager of Solid Logic Sdn. Bhd.

Present Directorship: NIL

LAU BOON TECK

Vice President, Retail Operations
Malaysian / Male / 41

Date of Appointment to the Current Position:

1 January 2019

Academic/Professional Qualification:

- Bachelor in Science (Agribusiness) from Universiti Putra Malaysia

Working Experience:

- Joined our Group as a Store Manager in 2010 and was promoted to his current position. He is primarily responsible for the overall operations of our stores including managing the staff and store inventory and in-store performance for all our stores in Malaysia and Brunei.
- Supervisor and Assistant Manager of De Little Chinatown Sdn. Bhd.

Present Directorship: NIL

CHIN GUANGUI

Vice President, Marketing
Malaysian / Male / 31

Date of Appointment to the Current Position:

1 January 2019

Academic/Professional Qualification:

- Bachelor of Arts in Business with Business Communication from University of Portsmouth, United Kingdom

Working Experience:

- Joined our Group as an Assistant Marketing Manager in 2014 and was promoted to his current position. He is primarily responsible for overseeing all marketing and sales strategies as well as e-commerce platform.
- Sales & Marketing Executive of Brooks Running Malaysia

Present Directorship: NIL

Other information in respect of the Key Senior Management ("KSM"):

- 1) None of the KSM have any family relationship with any Director and/or major shareholder of the Company.
- 2) None of the KSM have any conflict of interest with the Company.
- 3) None of the KSM have any conviction for offences within the past 5 years (other than traffic offences, if any) or have any public sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2020.
- 4) None of the KSM have any directorship in listed or non-listed public companies.

Corporate Governance Overview Statement

WE ARE COMMITTED TO CREATING VALUE FOR OUR STAKEHOLDERS

The Board of Directors (“Board”) of Mr D.I.Y. Group (M) Berhad is committed to upholding strong corporate governance practices and high standards of behaviour, accountability and transparency, in enhancing shareholders’ value and protecting the interests of stakeholders.

The Group adheres to the best practices as prescribed by the MCCG and Bursa Securities’s Corporate Governance Guide. The Group has also developed and put in place policies such as the Anti-Bribery and Corruption Policy, Gifts and Entertainment Policy, Sanctions Policy, Conflict of Interest Policy, Code of Business Ethics and Whistleblowing Policy. When seen in totality, these policies demonstrate our strong commitment to upholding good governance and integrity practices.

The Board is pleased to present the Corporate Governance Overview Statement (“CG Overview”) which summarises the Company’s corporate governance practices and approach for FY2020 in accordance with the Principles and Best Practices of the MCCG as follows:

PRINCIPLE A

Board Leadership and
Effectiveness

PRINCIPLE B

Effective Audit and Risk
Management

PRINCIPLE C

Integrity in Corporate Reporting
and Meaningful Relationship with
Stakeholders

This statement is prepared in compliance with Paragraph 15.25 of the MMLR of Bursa Securities. The details of the Company’s application and the explanation for departures, alternative practices and timeframe for measures to be taken, where applicable, are set out in the Corporate Governance Report 2020 (“CG Report”) which is accessible in the corporate website at www.mrdiy.com and Bursa Securities website at www.bursamalaysia.com.

The Board considers that the Company has substantially complied with the Practices under the MCCG throughout the FY2020 except for 5 practices as disclosed in the CG Report which should be read together with this statement.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

BOARD LEADERSHIP

The Board is collectively responsible for determining and leading the strategic direction and overseeing the overall management of the Group. The Board provides an effective oversight of the conduct of the Group's businesses, ensures appropriate risk management and internal control systems are in place as well as regularly reviews such systems to ensure their adequacy, integrity and effectiveness.

The Board is conscious that creation of sustainable growth and enhancement of long-term shareholders value involves maintaining the trust and goodwill of the employees, customers, suppliers and the wider community in which the Group operates.

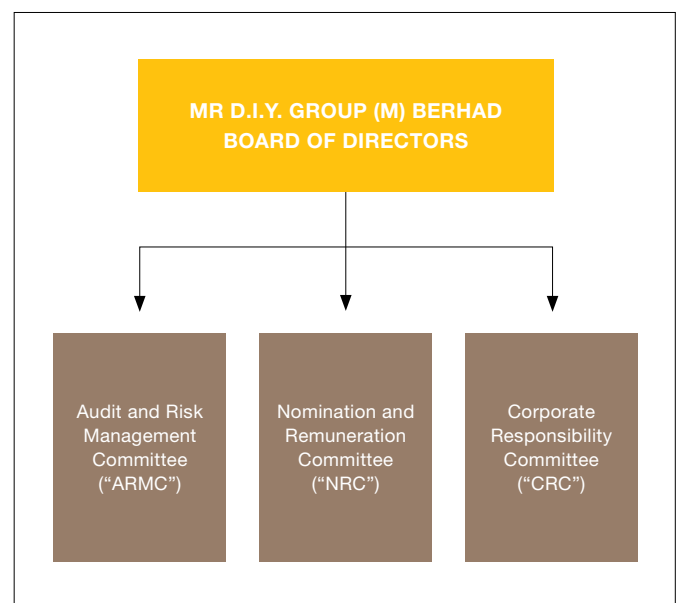
The Board assumes, amongst others, leadership, due care and fiduciary duties as governed by the Constitution of the Company, the Act, the MMLR of Bursa Securities, MCGG, Board Charter and other relevant law, rules and regulatory guidelines in discharging its duties and responsibilities as follows:

- (a) set the corporate values and promote a good corporate governance culture within the Group, which reinforces ethical, prudent and professional behaviour and ensure that its obligations to shareholders and other stakeholders are met;
- (b) review, challenge and decide on proposals put forward by the Management for the Company, and monitor its implementation by Management;
- (c) review and oversee the implementation of the strategic business plan of the Group to ensure that it supports long-term value creation and promotes sustainability, taking into consideration the economic, environmental and social considerations;
- (d) oversee the conduct of the Group's business and operations to ensure that the businesses are being properly managed;
- (e) review and ensure the adequacy and integrity of the internal controls and management systems of the Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

- (f) identify the principal risks of the business of the Group and recognise that the business decisions involve the taking of appropriate risks;
- (g) set the risk appetite within which the Board expects the Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (h) ensure that all members of the Board and the Management team are of sufficient calibre, including having in place a process to provide for the orderly succession of the Board and the Management team;
- (i) ensure that the Company has in place the appropriate corporate disclosure procedures to ensure effective communication with its shareholders and other stakeholders; and
- (j) ensure the integrity of the Company's financial and non-financial reporting.

BOARD COMMITTEES

To assist in the discharge of its stewardship role, the Board had on 20 February 2019, established three (3) Board Committees with their respective Terms of Reference ("TOR") and delegated some of the responsibilities of the Board to the Board Committees in discharging its functions and responsibilities. The governance structure of the Board is as follows:



Corporate Governance Overview Statement

The TOR of the Board Committees are embedded in the Board Charter, which clearly set out the fundamental responsibilities and delegation of authority by the Board to the Board Committees, is published in the corporate website at www.mrdiy.com.

The Board Committees report to the Board with their recommendations and the ultimate responsibility for decision-making lies with the Board. The Board is kept apprised of the activities of the Board Committees through tabling of the minutes of meetings of the Board Committees to the Board on quarterly basis. The Board are updated by the Board Committees on matters which requiring the attention and approval of the Board.

The details of activities undertaken by the ARMC and NRC during the FY2020 are set out in the Audit Committee Report and NRC Report, respectively on pages 50 to 51 and 53 of this Annual Report 2020.

SEPARATION OF ROLES BETWEEN CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

The roles of the Chairman and the CEO are distinct and separate, and are held by separate individuals, to ensure there is a balance of power and authority, such that no one individual has unfettered powers of decision making. Dato’ Azlam Shah Bin Alias is the Chairman of the Board while the CEO position is held by Ong Chu Jin Adrian.

The Chairman of the Board is primarily responsible for the orderly conduct and functioning of the Board, instilling good corporate governance practices, leadership and ensure effectiveness of the Board.

The key responsibilities of the Chairman of the Board include:

- (a) Providing leadership to the Board and overseeing the Board in the effective discharge of its fiduciary duties;
- (b) Setting the agenda for Board meetings and ensuring efficient and effective conduct of the Board meetings;
- (c) Ensuring that complete and accurate information is provided to the Board members in a timely manner to facilitate decision-making;
- (d) Leading Board meetings and encouraging active participation and allowing dissenting views to be freely expressed;
- (e) Promoting constructive and respectful relations between Board members and managing the interface between the Board and Management;
- (f) Ensuring that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- (g) Leading the Board in establishing and monitoring good corporate governance in the Company.

The CEO is responsible for implementing the policies and strategies as approved by the Board for the purpose of running the business and the day-to-day management of the Group, within the authorities as delegated by the Board.

The primary roles of the CEO are strategy development, implementing, monitoring and tracking; business development; compliance with regulation; performance management; human resources management; risk management; and stakeholder management.

The CEO is supported by the KSM in executing the delegated authorities from the Board for operational optimisation and efficiency.

QUALIFIED COMPANY SECRETARY

The Board is supported by our Company Secretary, Wong Mun Sin, who is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators and is qualified to act as a Company Secretary under Section 241 of the Act.

The Company Secretary plays an advisory role to the Board and support the Board on governance matters and Board policy and procedures, ensure adherence to relevant statutory and regulatory requirements, and advocate adoption of corporate governance best practices.

The Company Secretary attends all Board and Board Committees’ meetings and ensure the meetings are properly convened and all deliberations and decisions made by the Board are accurately minuted, recorded and kept. The Company Secretary continuously attends relevant professional development and training programmes to keep herself abreast with the regulatory changes and corporate governance development.

The Company Secretary also facilitates the communication of key decisions and policies between the Board, Board Committees and key management staff.

The Board also has access to any form of independent professional advice, information and services of the Company Secretary, if and when required, in carrying out its functions.

Corporate Governance Overview Statement

ACCESS TO INFORMATION AND ADVICE

The Board meets on a quarterly basis to review the business, operational and financial performance of the Group. Additional meetings are convened as and when necessary, to deliberate on matters requiring decision/approval of the Board. Directors may participate at meetings physically or via video conferencing.

Board and Board Committees' meetings for the full year are scheduled in advance and agenda for the meetings is planned and set ahead before the commencement of each new financial year.

Notices and agenda of meetings together with the relevant meeting materials are distributed to the Directors at least five (5) working days prior to the Board and Board Committees' meetings via electronic mail or by any electronic means of telecommunication in permanent written form so that the Directors are provided with sufficient time to review and consider the matters to be deliberated for an effective discussion and decision making at the meetings. The meeting materials are accessible on-line, through a collaborative software which allows the Directors to securely access and refer to the meeting materials electronically anytime and anywhere at their convenience. Relevant key management staff would be invited to attend meetings to brief the Board on the meeting materials.

The Board have direct access to the key management staff and have unrestricted access to all information pertaining to the Group in a timely manner to facilitate the discharge of their duties effectively. The Board is also entitled to obtain independent professional advice at the cost of the Company to assist them in carrying out their duties.

Upon conclusion of the meeting, the draft minutes are circulated to all members of the Board in a timely manner to ensure that the minutes recorded the proceedings of the meeting, the tabling of pertinent issues, the substance of inquiry and response, relevant suggestions and decision made, including whether any Director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.

The final minutes of meetings are tabled for confirmation at the subsequent Board/Board Committees' meetings. The minutes of Board Committees' meetings will be tabled for Board's notation at quarterly Board meetings so as to keep the Board abreast of the deliberations and decisions made by the Board Committees.

Decisions of Board may also be sought by way of Directors' Circular Resolutions for matters which are administrative in nature, where appropriate.

BOARD CHARTER

The Board had on 15 May 2019, adopted a Board Charter which sets out the processes, roles and responsibilities, composition and the functions of the Board with the aim of enhancing corporate governance practices towards accountability, transparency, sustainability and enhancing business integrity.

The Board Charter is established pursuant to the provisions of the Act, the Constitution of the Company, the MMLR of Bursa Securities, MCCG and any other applicable law or regulatory requirements.

The Board reviews the Board Charter from time to time and makes amendment thereto, where necessary, to align with the Board's objectives and changes to the current law and practices. The Board Charter was reviewed and last updated on 12 August 2020.

CODE OF ETHICS

The Board is guided by the Directors' Code of Ethics which is embedded in the Board Charter to act in good faith and in the best interest of the Company, and to observe high standards of corporate governance at all times by adherence to the general principles of integrity, objectivity, accountability, openness, honesty and leadership.

The Company has also established a Code of Business Ethics ("COBE") to ensure all employees adhere to the Group's commitment to the highest ethical standards and laws in the day-to-day business operation. Our business partners are also strongly encouraged to act consistently with the COBE when dealing on behalf of the Group and/or in collaboration with the Group.

The COBE defines the Group's standard and expectations related to ethical business and serves as a guide to appropriate conduct covering data protection and use of Company's data, confidentiality of information, protection and proper use of Company assets, insider trading and money laundering.

The success of the Group is dependent on the trust and confidence earned from its employees, customers and shareholders. The Group had gained credibility by adhering to its commitments, displaying honesty and integrity and achieved its goal solely through honourable conduct.

WHISTLEBLOWING POLICY ("WB POLICY")

The Board has adopted a WB Policy as a commitment to the highest form of integrity and accountability in the course of its business.

Corporate Governance Overview Statement

The Board aspires to create a culture of openness and responsibility in conducting its business. In line with this view, the Board undertakes to provide an avenue for all the employees, third parties and members of the public (“Whistleblowers”) to disclose any real or suspected corrupt incidents or misconduct involving the Group.

The WB Policy aims to facilitate all Whistleblowers in disclosing any misconduct through a proper channel. A Whistleblower may lodge his/her complaint/allegation on bribery or corruption or any misconduct by writing to the Whistleblowing Unit or by completing the Whistleblowing Form and email to the Whistleblowing Unit at my.whistleblower@mrdiy.com.

All Whistleblowers, provided that the complaint/allegation was made in good faith and with reasonable belief, will be afforded protection of confidentiality of identity to the extent practicable. Retaliation of any kind against any Whistleblower who makes a report in good faith and with reasonable belief and/or cooperates with any investigation will not be tolerated. Any staff engaging in retaliatory conduct may be subjected to disciplinary action which may include termination.

ANTI-BRIBERY AND CORRUPTION POLICY (“ABC POLICY”)

Our Group holds a zero-tolerance position against all forms of bribery and corruption and is committed to conducting all its business dealings with the highest standards of ethics and integrity and avoiding practises of bribery and corruption of all forms in its daily operations. The Board expects the same commitment from the staff, business associates and any third parties that the Group has dealings with.

Following the implementation of the corporate liability provision involving commercial organisations under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which was enforced on 1 June 2020, the Board has adopted the ABC Policy which elaborates and provides guidance to all whom the policy applies to on how to address improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

The ABC Policy is intended to provide information and guidance on how the Group combats bribery and corruption and as to the standards of behaviour that have to be adhered with in furtherance of the Group’s commitment to lawful and ethical behaviour at all times.

CONFLICT OF INTEREST POLICY (“COI POLICY”)

The Board is committed to maintaining the highest of ethical standards and governance. The Directors and all employees are expected to conduct themselves with

integrity, impartiality and professionalism at all times, and to avoid any conflict of interest that may arise in the performance of their duties.

In order to protect the employees, shareholders and other stakeholders against conflict of interest, the Board has established and adopted the COI Policy and a declaration procedure aiming to manage actual, potential and perceived conflict of interest and clearly state the principles with which the Group approaches any such situations.

All Directors and employees of Mr D.I.Y. are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:

- a) Comply with the COI Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
- b) Act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- c) Avoid, wherever possible, situations giving rise to conflicts of interest as described in the COI Policy; and
- d) Immediately declare the conflict of interest in accordance with the COI policy, abstaining from the decision-making process and not seek to influence such decisions any further.

The Board Charter, Directors’ Code of Conduct, COBE and all the above-mentioned policies are published and accessible in the corporate website at www.mrdiy.com.

PART II : BOARD COMPOSITION

STRENGTHENING THE BOARD’S COMPOSITION

The Board comprises six (6) Directors and two (2) Alternate Directors, led by an Independent Non-Executive Chairman, and supported by five (5) Directors, comprising two (2) Independent Non-Executive Directors (“INEDs”), two (2) Non-Independent Executive Directors and one (1) Non-Independent Non-Executive Director (“NINED”). The profile of each Director is set out on pages 32 to 33 of this Annual Report 2020.

The Board is well represented by individuals with diverse backgrounds and experience in their relevant areas of retail, accounting, finance, economics, corporate finance and banking. The Board believes that the current Board composition provides an appropriate balance in terms of skills, qualifications, knowledge, expertise and experience for effective stewardship and management of the Board.

Corporate Governance Overview Statement

The Board through its NRC conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals. Board appointments are made based on merit, in the context of skills, experience, independence and relevant knowledge which are essential to the business growth and sustainability of the Company.

INDEPENDENCE OF THE BOARD

Half of the current Board composition comprises Independent Directors. The Board has yet to adopt Practice 4.1 of the MCGG to have a board comprising a majority of Independent Directors. But the Board endeavours to review the composition of the Board to have majority independent directors on the Board, where possible.

The Board undertakes an independent assessment of the INEDs annually as part of the Board Annual Evaluation and Effective Assessment exercise to assess their ability to bring unbiased and objective judgement to the Board's deliberations.

An annual assessment on independence of INEDs in respect of FY2020 was conducted in December 2020 based on the criteria of independence as prescribed under Paragraph 1.01 and Practice Note 13 of the MMLR of Bursa Securities.

All the three (3) INEDs namely Dato' Azlam Shah bin Alias, Ng Ing Peng and Leng Choo Yin have complied with all the criteria of independence and confirmed that they are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement and has the ability to act in the best interest of the Company.

TENURE OF INDEPENDENT DIRECTORS

The Board Charter has adopted Practice 4.2 of the MCGG that stipulates the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9)-year term, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a NINED. The Board will seek shareholders' approval with justification should the Board intends to retain an INED who has served beyond the nine (9)-year term.

If the Board continues to retain the Independent Director after year twelve (12), the Board should provide justification and seek annual shareholders' approval through a two-tier voting process in accordance with the MCGG.

The Company was listed on the Main Market of Bursa Securities on 26 October 2020 and none of the INEDs has exceeded the nine (9)-year term of independence.

BOARD DIVERSITY POLICY

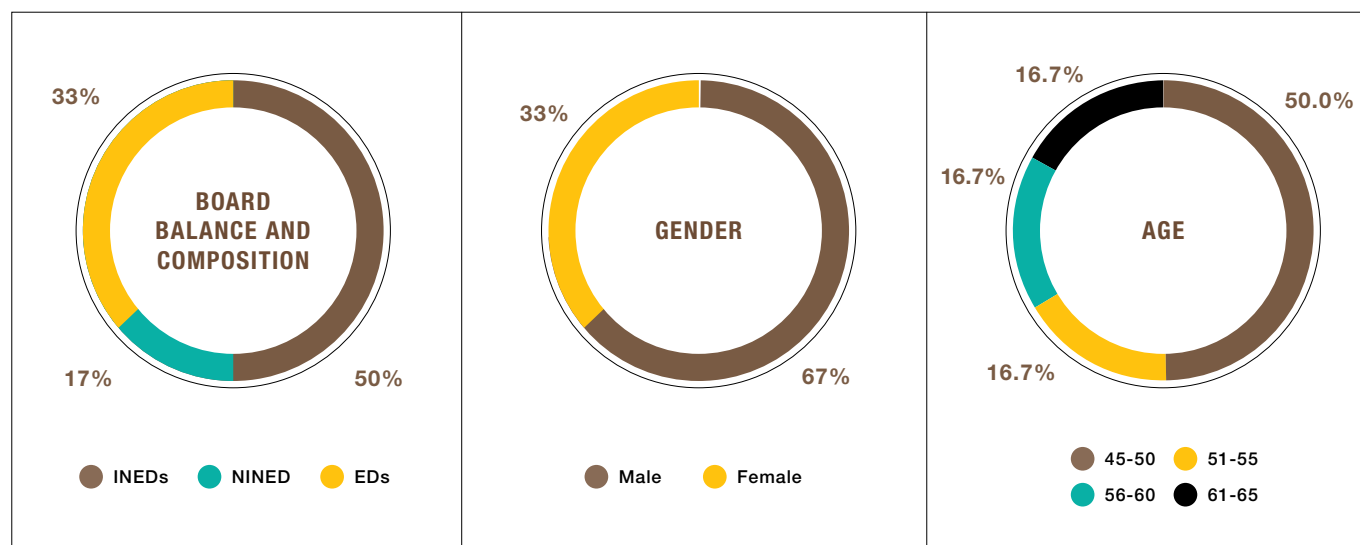
The Board seeks to maintain a diverse Board by having mix of diversity in terms of age, ethnicity and gender, which will provide the necessary range of perspectives, skills, qualifications, experience and expertise required to strengthen the Board composition to achieve the objectives and strategic goals of the Company.

The Board is supportive of the recommendation by MCGG of having at least 30% women Directors on the Board for Large Companies. The current composition of the Board includes two (2) women Directors out of 6 Directors representing 33% with a diverse mix of skills set, knowledge and expertise.

Board diversity in the Board composition as at 31 December 2020 is depicted as follows:



Corporate Governance Overview Statement



ANNUAL BOARD EFFECTIVENESS EVALUATION

The NRC is entrusted by the Board to review the performance and effectiveness of the Board and Board Committees, including individual Directors, and independence of the INEDs, annually, with the assessment report, together with a report on the Board balance covering the required mix of skills, qualifications, experience and other qualities of Board members, be tabled to the Board for discussion.

The assessment results from the evaluation form the basis of the recommendation by the NRC to the Board for the re-election and/or re-appointment of Directors and Board Committee members as well as for further development of the Board and Board Committees.

An on-line annual Board effectiveness evaluation of the Board, Board Committees, individual Directors including independence of the INEDs in respect of the financial year under review were conducted via self-assessment and peer assessment, and facilitated internally by the Company Secretary. The assessments results and responses were tabled to the NRC and Board for review.

The NRC was satisfied with the effectiveness of the Board, Board Committees, individual Directors including independence of the INEDs based on the annual assessments conducted and recommended the same to the Board for consideration. The Board after due consideration, concluded that the Board, Board Committees and individual Directors including the INEDs had discharged their duties and responsibilities, respectively.

FOSTERING COMMITMENT

The Board shall meet at least four (4) times in a financial year, with additional meetings to be convened as and when necessary. Board and Board Committees' meetings schedule for a new financial year is prepared and circulated to the Board before the commencement of a new financial year in advance to facilitate Directors' time planning.

Each Director shall attend at least 50% of the total Board meetings held during the year. The Directors may attend Board meetings physically or via telephone, video, or other electronic communication facilities which permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, in which event such Director shall be deemed to be present at the meeting.

A total of eight (8) Board meetings were held during the FY2020. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

Corporate Governance Overview Statement

During the financial year under review, the attendance of the Directors in Board and Board Committees' meetings are as follows:

Name of Directors	Board	ARMC	NRC	CRC
DATO' AZLAM SHAH BIN ALIAS <i>Independent Non-Executive Chairman</i>	8/8	7/7	-	4/4
TAN YU YEH <i>Non-Independent Executive Director/ Executive Vice Chairman</i>	8/8	-	-	-
ONG CHU JIN ADRIAN <i>Non-Independent Executive Director/ Chief Executive Officer</i>	8/8	-	-	4/4
BRAHMAL A/L VASUDEVAN <i>Non-Independent Non-Executive Director</i>	8/8	7/7	3/3	2/2 <i>(Resigned on 22 June 2020)</i>
NG ING PENG <i>Independent Non-Executive Director</i>	8/8	7/7	3/3	2/2 <i>(Appointed on 22 June 2020)</i>
LENG CHOO YIN <i>Independent Non-Executive Director</i>	8/8	-	3/3	-
TAN YU WEI <i>Alternate Director to Tan Yu Yeh appointed on 3 March 2020</i>	5/7	-	-	-
SOO SZE YANG <i>Alternate Director to Brahmah A/L Vasudevan appointed on 22 June 2020</i>	6/6	5/5	2/2	-

As stipulated in its Board Charter, each Director shall not hold more than five (5) directorships in listed companies or such other limit as prescribed by the MMLR of Bursa Securities. Before accepting any new directorship, Directors shall notify the Chairman of the Board, the notification of which shall include an indication of time that will be spent on the new appointment.

The Board is satisfied that the present directorships in external organisations held by our Directors do not give rise to any conflicts of interest nor impair their ability to discharge their responsibilities as Directors of the Company.

DIRECTORS' TRAINING

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge to enable them to discharge their duties effectively. As such, the Directors will continuously attend the necessary training to keep abreast with the current developments of the industry as well as the new statutory and regulatory requirements.

The training and development programmes conducted internally or externally and participated by each of the Director during the financial year under review are as follows:

Director	Courses/Seminar/Training/Conference	Date
Dato' Azlam Shah Bin Alias	• Corporate Liability pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009	20 February 2020
	• Sustainability Workshop	12 August 2020
	• The Role of Audit Committees in Ensuring Organisational Integrity, Risk & Governance	7-10 December 2020
	• Dealing in Listed Securities, Closed Period and Insider Trading	18 December 2020
	• Conduct of Directors of Listed Company and Common Breaches of the Listing Requirements	18 December 2020
Tan Yu Yeh	• Corporate Liability pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009	20 February 2020
	• Sustainability Workshop	12 August 2020
	• Dealing in Listed Securities, Closed Period and Insider Trading	18 December 2020
	• Conduct of Directors of Listed Company and Common Breaches of the Listing Requirements	18 December 2020
	• Mandatory Accreditation Program for Directors of Public Listing Companies	18-20 January 2021
Ong Chu Jin Adrian	• Corporate Liability pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009	20 February 2020
	• Sustainability Workshop	12 August 2020
	• Dealing in Listed Securities, Closed Period and Insider Trading	18 December 2020
	• Conduct of Directors of Listed Company and Common Breaches of the Listing Requirements	18 December 2020
	• Mandatory Accreditation Program for Directors of Public Listing Companies	18-20 January 2021

Corporate Governance Overview Statement

Director	Courses/Seminar/Training/Conference	Date
Brahmal A/L Vasudevan	• Corporate Liability pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009	20 February 2020
	• Sustainability Workshop	12 August 2020
Ng Ing Peng	• Corporate Liability pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009	20 February 2020
	• Sustainability Workshop	12 August 2020
	• The Role of Audit Committees in Ensuring Organisational Integrity, Risk & Governance	7-10 December 2020
	• Dealing in Listed Securities, Closed Period and Insider Trading	18 December 2020
	• Conduct of Directors of Listed Company and Common Breaches of the Listing Requirements	18 December 2020
	• Mandatory Accreditation Program for Directors of Public Listing Companies	18-20 January 2021
Leng Choo Yin	• Corporate Liability pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009	20 February 2020
	• Sustainability Workshop	12 August 2020
	• Dealing in Listed Securities, Closed Period and Insider Trading	18 December 2020
	• Conduct of Directors of Listed Company and Common Breaches of the Listing Requirements	18 December 2020
	• Mandatory Accreditation Program for Directors of Public Listing Companies	18-20 January 2021
Tan Yu Wei	• Corporate Liability pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009	20 February 2020
	• Sustainability Workshop	12 August 2020
	• Dealing in Listed Securities, Closed Period and Insider Trading	18 December 2020
	• Conduct of Directors of Listed Company and Common Breaches of the Listing Requirements	18 December 2020
	• Mandatory Accreditation Program for Directors of Public Listing Companies	18-20 January 2021
Soo Sze Yang	• Sustainability Workshop	12 August 2020
	• Mandatory Accreditation Program for Directors of Public Listing Companies	18-20 January 2021

All our Directors had attended the Mandatory Accreditation Programme as prescribed in the MMLR of Bursa Securities.

PART III : REMUNERATION

The Board has a formal and transparent process for approving the remuneration of Non-Executive Directors (“NEDs”), Executive Directors (“EDs”) and KSM with an aim to attract and retain the right talent on the Board and KSM to drive the company’s long-term objectives in promoting business stability and growth. A remuneration policy was established in November 2020 for EDs and KSM setting out the basis of determining their remuneration.

The NRC is responsible for establishing, reviewing the remuneration policy and making recommendations on the same to the Board for approval. The fees and benefits payable to the NEDs are subjected to shareholders’ approval at a general meeting annually pursuant to Section 230 of the Act. The remuneration payable to the EDs would be reviewed based on their performance in meeting the strategic objectives of the Company and the Key Performance Indicators (“KPIs”) set

annually. The determination of the remuneration of the KSM and other senior management is delegated to the EDs as the EDs are in the better position to evaluate the performance and align the remuneration and performance of the KSM and other senior management.

A remuneration review exercise for NEDs was conducted in November 2019 which involved salary benchmarking against comparable peers of other public listed companies in retail sector, government linked companies (“GLC”), non-GLC and top 30 largest companies by market capitalisation to ensure that the remuneration payable is commensurate and aligned with the prevailing market rate. The NRC also considered various factors including the NEDs’ fiduciary duties, responsibilities, time commitment expected of them and the Company’s performance. None of the NEDs were involved in deciding his/her own remuneration.

Corporate Governance Overview Statement

During the financial year under review, upon the review and recommendation by the NRC and the Board, the shareholders of the Company approved the remuneration package for NEDs effective January 2020 up to the next Annual General Meeting (“AGM”) of the Company to be held in 2021.

The Directors’ remuneration consists of Directors’ fees of RM144,000 per annum (Non-Executive Chairman), RM100,800 per annum (other NEDs) and meeting allowance of RM1,000 per meeting.

The Board Chairman is entitled for a Chairman allowance of RM5,000 per month which took effect on 1 October 2020 for his involvement and in maintaining continuous dialogue with the relevant stakeholders relating to the corporate responsibilities activities undertaken by the Group.

The detailed disclosure on a named basis of the remuneration of individual NEDs and breakdown of the individual EDs’ remuneration for the FY2020 are as follows:

Received from the Company

	Directors’ Fee (RM)	Chairman Allowance (RM)	Meeting Allowance (RM)	Salary (RM)	Bonus (RM)	Other emoluments ^(a) (RM)	Benefits in-kind ^(b) (RM)	Total (RM)
Non-Executive Directors								
Dato’ Azlam Shah Bin Alias	144,000	15,000	19,000	NIL	NIL	NIL	NIL	178,000
Brahmal A/L Vasudevan ^(c)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Ng Ing Peng	100,800	NIL	20,000	NIL	NIL	NIL	NIL	120,800
Leng Choo Yin	100,800	NIL	11,000	NIL	NIL	NIL	NIL	111,800

Received from the Group

	Directors’ Fee (RM)	Chairman Allowance (RM)	Meeting Allowance (RM)	Salary (RM)	Bonus (RM)	Other emoluments ^(a) (RM)	Benefits in-kind ^(b) (RM)	Total (RM)
Executive Directors								
Tan Yu Yeh	NIL	NIL	NIL	605,000	192,500	165,258	NIL	962,758
Ong Chu Jin Adrian	NIL	NIL	NIL	643,500	192,500	243,235	18,350	1,097,585
Alternate Director								
Tan Yu Wei ^(d)	NIL	NIL	NIL	517,000	152,750	126,988	NIL	796,738

Notes:

^(a) Inclusive of statutory contributions, allowances and incentives.

^(b) Inclusive of car subsidy and car maintenance.

^(c) Requested for his remuneration to be channeled to charitable organisation.

^(d) Resigned as ED and appointed as an Alternate Director to Tan Yu Yeh on 3 March 2020. He is also an Executive Vice President of the Company.

NEDs received their remuneration from the Company, whilst, EDs received their remuneration from the Group. Save as disclosed above, other Directors did not received remuneration from the Company or the Group.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I : EFFECTIVE AND INDEPENDENT ARMC

The ARMC was established by the Board on 20 February 2019 to assist and support the Board primarily in the areas of financial reporting in liaison with the External Auditors, the Group's system of risk management and internal controls in liaison with the Internal Auditors, the review of related party transactions and conflict of interest situations.

The ARMC comprises two (2) INEDs and one (1) NINED. Nonetheless, the composition of the ARMC comprise of majority INEDs, as prescribed by the MMLR of Bursa Securities, would still be able to exercise objective and independent judgment. The ARMC is chaired by Ng Ing Peng, an INED, who is distinct from the Chairman of the Board and a member of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

The performance of the ARMC and the individual ARMC members for the FY2020 was evaluated as part of the annual Board effectiveness evaluation. Based on the results of the evaluation, our Board is satisfied that our ARMC and the individual ARMC members have discharged their responsibilities according to its TOR and be able to exercise objective and independent judgment. All members of the ARMC would also attend professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as well as the roles of audit committee.

The ARMC had in February 2020, established the External Auditors' Assessment policy to assess the suitability, objectivity and independence of the External Auditors. The result of evaluation on BOD PLT, the External Auditors, in respect of the FY2020 carried out in March 2021, revealed that BDO PLT had satisfied the criteria of suitability, objectivity and independence of External Auditors.

Details of the activities carried out by the ARMC during the FY2020 are set out in the ARMC Report on pages 50 to 51 of this Annual Report 2020.

PART II : EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

An Independent Risk Management Consultant ("Consultant") was engaged to develop an Enterprise Risk Management ("ERM") Framework to structure the process used to identify potential risks and to define the relevant internal controls to eliminate or minimise the impact of the potential risks as well as the mechanism to effectively monitor and evaluate the risks. The ERM Framework was approved and adopted for implementation on 19 May 2020.

The ARMC is entrusted by the Board to review the risk profiles every half-yearly to ensure adequacy and effectiveness of the risk management and internal controls to safeguard shareholders' investments and the Company's assets.

Our in-house Internal Audit Department ("IAD") was established in September 2019 and reports directly to the ARMC. IAD assists the ARMC in evaluating the adequacy and integrity of the internal controls and monitoring of compliance with policies and procedures through the Internal Audit exercises.

The key features of the Group's risk management and internal control framework as well as their adequacy and effectiveness are disclosed in the Statement on Risk Management and Internal Control on pages 47 to 49 of this Annual Report 2020.

Corporate Governance Overview Statement

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

PART I : COMMUNICATION WITH STAKEHOLDERS

The Board is committed to upholding the highest standards of transparency, accountability and integrity in the disclosure of all material information on the Group to the investing public in an accurate, clear, complete and timely manner in accordance with the corporate disclosure requirements as set out in the MMLR of Bursa Securities.

The Group engages its stakeholders through various platforms including the announcements via Bursa LINK, corporate website, investor relations channel, annual reports, general meetings, media releases, and briefings to investors, analysts and media.

The Group has an established corporate website, www.mrdiy.com where stakeholders and investors can have access to information on the Group and to facilitate investor relations. The website is constantly updated with the latest developments of the Group. All disclosures, material information and announcements including Annual Reports made to Bursa Securities via Bursa LINK are published on the corporate website.

In addition, the Group also announces the targeted date for release of the quarterly financial results of the Group two (2) weeks in advance prior to each Board meeting in order to keep the shareholders or investing public informed of the timing the quarterly financial results will be released.

The Company also maintains its communication channel with shareholders, potential investors, analysts, fund managers and the investment community, through its Investor Relations ("IR") channel. The stakeholders are encouraged to channel their enquiries to the IR personnel whose name, contact number and e-mail address as follows:



JASON TEH

Head of Investor Relations

Tel: +603 8961 1338
(8.30 a.m. - 5.30 p.m., Monday - Friday)
Email: investor.query@mrdiy.com

PART II : CONDUCT OF GENERAL MEETINGS

General meetings are principal forum for dialogue and engagement between the Board and the shareholders to facilitate shareholders to get greater understanding of the business and performance of the Group and in turn facilitate the Board to hear the expectations from the shareholders.

The forthcoming 10th AGM of the Company as scheduled for 15 June 2021 will be the first AGM of the Company as a public listed company. At the 10th AGM, the CEO, on behalf of the Board, will brief the shareholders on the overall business and financial performance of the Group. The shareholders will be given the opportunity to raise questions on the Group's activities and prospects as well as to communicate their expectations and concerns to the Group.

All the Directors, Chairs of the Board Committees, Senior Vice President of Finance and External Auditors will be present at the forthcoming 10th AGM to respond to any enquiries from the shareholders.

The notice of 10th AGM will be issued to the shareholders at least 28 days prior to the date of the AGM as scheduled for 15 June 2021. A copy of the notice of 10th AGM is available on the corporate website at www.mrdiy.com and advertised in a nationally circulated English and Bahasa Malaysia daily newspapers.

The notice of 10th AGM outlines the resolutions to be tabled at the 10th AGM together with explanatory notes giving the rationale and effect of the resolutions to enable the shareholders to make informed decisions in exercising their voting rights. Shareholders who are not able to attend the meeting are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his or her stead at all the general meetings.

Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in the notice of AGM will be put to vote by way of poll. In facilitating greater shareholder participation and to promote greater transparency, the Company will leverage on technology to facilitate remote shareholder participation and electronic poll voting.

[This Statement was endorsed by the Board on 31 March 2021.]

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (the “Board”) of Mr D.I.Y. Group (M) Berhad (“the Group”) is pleased to provide the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2020. The Statement is provided pursuant to Paragraph 15.26(b) of the MMLR of Bursa Securities.

The disclosures in this statement exclude the risk management and internal control practices of the Group’s associate.

BOARD RESPONSIBILITY

The Board is overall responsible in establishing a sound risk management and internal control system, and reviewing the system’s adequacy and effectiveness to safeguard shareholders’ interest and the Group’s assets. This includes an ongoing process of identifying, analysing, evaluating, managing and monitoring significant risks faced by the company in its achievement of objectives and strategies. The Board confirms that this process has been in place for the financial year under review and up to date for inclusion in the Annual Report. The process is in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“SRMICG”).

The Board recognises that the risk management and internal control system is designed to manage risk and monitor controls that it is within the acceptable limits. In view of the limitations inherent in any system of risk management and internal control, the system can, therefore, only provide reasonable but not absolute assurance against material losses.

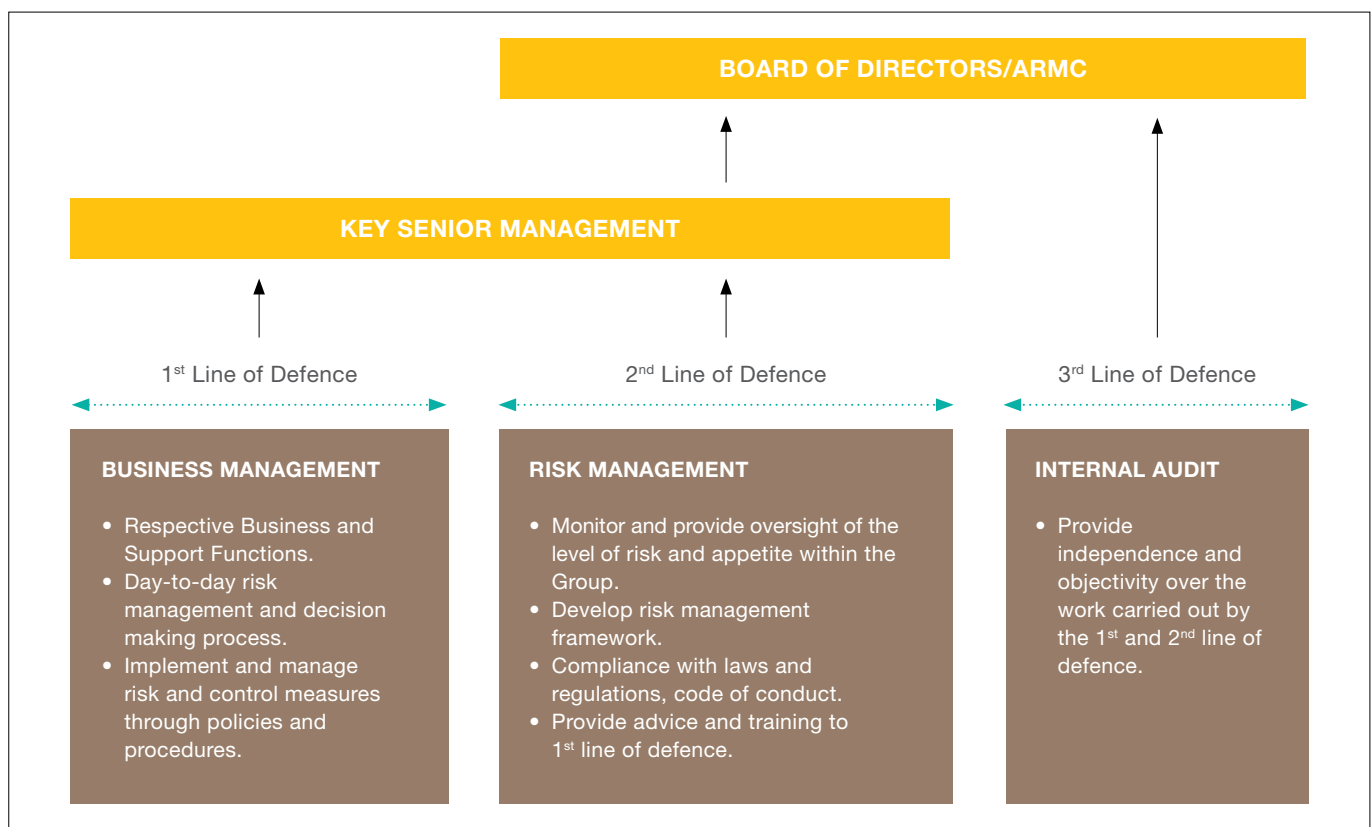
To effectively carry out its risk and control oversight responsibilities, the Board is assisted by the Audit and Risk Management Committee (“ARMC”) to oversee matters regarding risk, compliance and controls.

RISK MANAGEMENT

The Board has in place an Enterprise Risk Management (“ERM”) Framework which outlines the Group’s risks and the process of identifying, assessing, managing, monitoring and communicating the risk. The Group recognises that risks evolve and is committed to continuously improving its risk management strategies. The Group’s risk management is structured as follows:

Risk Governance

The Group organisational structure established for effective risk management adopts the underlying principle of the Three Lines of Defence as illustrated below:



Statement on Risk Management and Internal Control

Risk Assessment

The ERM approach and process to ascertain potential risks were identified by the respective business functions based on relevant knowledge and publicly available information and subject matter experts. This activity is performed through the assessment of the Risk Profiles (i.e. Group Strategic, Retail Operations, Procurement, Logistics, Distribution Centre, Marketing and eCommerce, and Information Technology). Within these Risk Profiles, the identified risks are individually rated at Extreme, High, Medium or Low risk. The rating process is guided by an approved risk matrix, comprising the likelihood of risk occurrence and the associated impact. Each risk owner will then ensure the effective implementation of control measures. The potential key risks are raised for discussion and deliberated by the ARMC.

Risk Categories

The Group maintains a database of risk based on the Group's business objectives, the risk categories are summarised as follows:

- **Strategic Risk**

Risks that affect the Group in meeting its overall vision, mission and strategic objectives. The Group is exposed to various strategic risks relating to its business of managing stores nationwide among which includes the potential IP infringement due to the multitude of retail products it deals with. This is mitigated through various forms of verification of the product prior to purchase.

- **Operational Risk**

Risks that affect the effectiveness and efficiency of the Group in meeting its operating objectives. As the Group is primarily involved in the retail industry, it is exposed to various operational risks impacting areas of supply chain, logistics and warehousing. These

risks are closely monitored with strict compliance to the applicable internal SOPs. Apart from that, strict adherence to the SOPs set by the Government in view of the COVID-19 pandemic is also required. The priority is to ensure the health and safety of all employees and customers.

- **Financial Risk**

Risks that affect the financial position of the Group in meeting its financial objectives. The Group is exposed to certain financial risks including, but not limited to, liquidity and cash flow risk, foreign currency risk, interest rate risk and credit risk. The Group actively monitors its debt maturity profile, operating cash flow and funding needs to ensure that its operating and financing commitments are met. The Group is cognizant of its foreign currency exposure on transactions that are denominated in currencies other than the functional currencies of the operating entities. Exposure in foreign currency is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level. The Group is also exposed to interest rate risk from indebtedness at floating rates and credit risk exposure from trade and other receivables. The Group maintains strict control and frequently monitors its level of indebtedness and outstanding trade and other receivables.

- **Compliance Risk**

Risk that affects the Group's processes and effort in ensuring all applicable regulatory requirements are complied with. The Group has taken the necessary steps and measures put in place process to ensure the required certifications, licences and other applicable regulations are or will be complied. Apart from that, strict adherence to the new Section 17A of the Malaysian Anti-Corruption

Commission (Amendment) Act 2018 on Corporate Liability Act is also followed with the implementation of an Anti-Bribery and Corruption Policy which came into effect on 1 June 2020.

INTERNAL CONTROL

The Group's internal controls are embedded within the operational policies and procedures of the functions. The key elements of the Group's internal control processes to maintain a sound internal control system are described below:

- The Board is supported by several committees, namely the ARMC, NRC and CRC. Each committee has a defined term of reference outlining their functions and duties as delegated by the Board.
- The Board and the ARMC meet every quarter to discuss business and operational matters raised by Internal Audit including potential risk and control mitigants.
- Quarterly financial results are reviewed and compared with the budget to identify and where appropriate, to address, significant variances from the budget.
- The Group has a clearly defined organisation structure in place with a defined line of responsibility and delegated authority. The day-to-day operations of the business is entrusted to the Executive Directors and Senior Management. The Heads of Department are empowered with the responsibility of managing their respective operations.
- The Group has defined limits of authority which set out the approving limits that have been assigned and delegated to each approving authority within the Group.
- Internal operating procedures and policies are documented, reviewed and revised periodically to meet changing business and operational requirements as well as statutory reporting needs.

Statement on Risk Management and Internal Control

- The Code of Business Ethics in place ensures that all Directors and employees adhere to the Group's commitment to highest ethical standards and laws in day-to-day operations.
- A Whistleblowing Policy is in place and anyone who has a genuine concern on detrimental actions or improper conduct may raise it using the confidential channels laid out in the policy.
- The Group has adopted an Anti-Bribery and Corruption Policy with a zero-tolerance position against all forms of bribery and corruption. This policy was developed in view of the introduction of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. In addition the Group has also conducted a Bribery and Corruption Risk Assessment and an adequate procedures gap assessment through an external consultant.
- The Group has endorsed a strict "No Gift Policy" whereby only narrow exceptions are allowed of which is clearly defined in its policy. The Group also prohibits its personnel from receiving, providing or offering to provide gifts and entertainment with a view to cause undue influence. The policy includes guidelines and clearly presents the appropriate channels to obtain approval for exceptional situations.
- The Group has established COVID-19 SOPs as an additional measure to safeguard the health and safety of its employees by providing detailed guidance on disease containment, work safety measures, incident reporting procedures as well as a response plan.

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group is performed in-house and reports directly to the ARMC. The scope and responsibilities of the function include the evaluation of the adequacy and effectiveness of governance, risk management, and internal controls. All

the Internal Audit team members are free from any relationship or conflict of interest that could impair their objectivity and independence as Internal Auditors.

Reviews are carried out based on the approved Internal Audit Plan for 2020, which was developed using a risk-based approach and in line with the Group's direction. The Internal Audit Plan was assessed on a quarterly basis in alignment with the business and risk environment.

The principles to having an effective Internal Audit function are outlined in the Internal Audit Charter and Internal Audit Standard Operating Manual. The Internal Audit Charter sets out the purpose, authority, responsibilities and reporting of the Internal Audit function and maintaining independence and objectivity status. The Internal Audit Standard Operating Manual is intended to guide the Internal Auditors. For each audit, a systematic methodology is adopted, which primarily includes performing risk assessment, developing audit planning memorandum, conducting audit, convening exit meetings and finalising audit reports. The audit reports detail the objectives, scope of audit work, observations, management action plan, timeline and conclusion in an objective manner and are distributed to the relevant parties.

All audit findings were highlighted to relevant Management team members responsible for ensuring that corrective actions on reported weaknesses are taken within the required timeframe. Summaries of the audit reports were issued to the ARMC quarterly incorporating findings and Management's remediation actions.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed the Statement on Risk Management and Internal Control in accordance with Malaysian

Approved Standard on Assurance Engagements, ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and the Audit and Assurance Practice Guide 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* included in the Annual Report issued by the Malaysian Institute of Accountants.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SRMICG to be set out, nor is it factually inaccurate.

CONCLUSION

The Board through the ARMC has reviewed the adequacy and effectiveness of the risk management and internal control system for financial year ended 31 December 2020 and is of the view that the controls are operating adequately and effectively in all material respects.

The Board has received assurance from the Chief Executive Officer and Senior Vice President of Finance that the Group's risk management and internal control system is operating effectively, in all material respects for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

[This statement is issued in accordance with a resolution of the Board dated 31 March 2021.]

Audit and Risk Management Committee Report

The ARMC was established by the Board on 20 February 2019 as part of its preparation for listing of the Company on the Bursa Securities.

COMPOSITION AND MEETING ATTENDANCE OF THE ARMC

The ARMC comprises of three (3) members, all of whom are Non-Executive Directors with a majority of them being Independent Directors.

The ARMC held a total of seven (7) meetings during the financial year ended 31 December 2020. The details of members and the attendance of the ARMC members are as follows:

Name	Designation	Number of ARMC meetings attended
Ng Ing Peng	Chairman <i>(Independent Non-Executive Director)</i>	7/7
Dato' Azlam Shah bin Alias	Member <i>(Independent Non-Executive Director)</i>	7/7
Brahmal A/L Vasudevan	Member <i>(Non-independent Non-Executive Director)</i>	7/7

None of the members were former key audit partners of our existing External Auditors. The Chairman of the ARMC is appointed by the Board and is not the Chairman of the Board. The Chairman of the ARMC is a member of the Malaysian Institute of Accountants since 1985. The composition of the ARMC meets the requirements of paragraph 15.09 and 15.10 of the MMLR of Bursa Securities and the MCCG.

The Company Secretary acts as the Secretary of the ARMC.

The ARMC Members are provided with the agenda and relevant Committee papers before each meeting. Minutes of each meeting were recorded and tabled for confirmation at the next meeting and subsequently presented to the Board for notation.

TERM OF REFERENCE

The ARMC has discharged its function and carried out its duties as set out in the TOR.

The detailed TOR of the ARMC (Appendix A of Board Charter) outlining the composition, duties and functions, authority and procedures of the ARMC are published and available on the Company's website at www.mrdiy.com.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2020, the ARMC conducted the following activities to discharge its functions and duties:

Financial Statements

Prior to the listing of the Company on the Main Market of Bursa Securities on 26 October 2020, the Accountants Report and Pro-forma report were reviewed by the ARMC for inclusion in the Company's Prospectus in conjunction with the Company's Initial Public Offering. The ARMC also reviewed the audited interim consolidated financial statements for the 6-months financial period ended 30 June 2020 before recommending the same to the Board of Directors for approval and release to the Securities Commission Malaysia in compliance with the MMLR of Bursa Securities.

Audit and Risk Management Committee Report

After the listing, the ARMC had on 5 November 2020 reviewed the unaudited quarterly financial reports of the Group for the quarter ended 30 September 2020 to ensure that the quarterly financial results complied with Malaysian Financial Reporting Standards and Appendix 9B of the MMLR of Bursa Securities. The key senior management was present during the meetings to present and explain the financial performance of the Group to the members of ARMC.

Risk Management and Internal Control

- i. Reviewed and approved the guideline for managing risk within the Group as well as monitor and assess the risk appetite and risk tolerance for the Group.
- ii. Reviewed the principal risk and ensure implementation of appropriate risk management systems to effectively identify, analyse, evaluate, manage, monitor, treat and mitigate the risks impacting the Group.
- iii. Reviewed the Statement on Risk Management and Internal Control for disclosure in the 2020 Annual Report.

Internal Audit

- i. Reviewed the annual Internal Audit Plan including the adequacy of the audit scope, approach, methodology, resources and authority of the Internal Audit function in carrying out its audit activities and provided input on key areas to be included in the plan.
- ii. Reviewed the quarterly Internal Audit reports which encompassed the audit issues, audit recommendations, Management's responses to these recommendations and improvement actions in the area of internal controls, systems and efficiency enhancements suggested by the Internal Auditors.

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group is performed in-house and reports directly to the ARMC. The scope and responsibilities of the function include the evaluation of the adequacy and effectiveness of the governance, risk management and internal controls. All the Internal Audit team members are free from any relationship or conflict of interest that could impair their objectivity and independence as Internal Auditors.

Reviews are carried out based on the approved Internal Audit Plan for 2020, which was developed using a risk-based approach and in line with the Group's direction. The Internal Audit Plan was assessed on a quarterly basis in alignment with the business and risk environment.

For the financial year ended 31 December 2019, Internal Audit function carried out audit assignments covering forty-two (42) stores audit, review of Malaysian Anti-Corruption Commission Act 2009 Section 17A Standard Operating Procedures, audit of e-Commerce processes and Business Development processes. All audit findings were highlighted to relevant Management team members responsible for ensuring that corrective actions on reported weaknesses are taken within the required timeframe. Summary of the audit reports were issued to the ARMC quarterly incorporating findings and Management's remediation actions.

The total cost incurred in maintaining the Internal Audit function for the financial year ended 31 December 2020 was RM531,621.

[The ARMC Report was endorsed by the ARMC on 31 March 2021.]

- iii. Reviewed the progress of the implementation of Internal Audit Department recommendations on outstanding audit findings on a quarterly basis to ensure all key risks and control issues were addressed.
- iv. Reviewed the ARMC Report to be published in the Annual Report.

External Audit

- i. Reviewed the audited financial statements with the External Auditors and Management before recommending them to the Board for adoption.
- ii. Reviewed the External Auditors' audit plan, which outlined the audit scope, areas of audit emphasis and the auditors' independence.
- iii. Evaluated the performance of the External Auditors for the financial year ended 31 December 2019 assessing the suitability, objectivity and impudence of the External Auditors.
- iv. Met with the External Auditors without the presence of the Management on 24 November 2020 to discuss key issues within their responsibilities and to ensure there were no restrictions on their scope of audit.

Compliance and Whistleblowing

- i. Reviewed and approved the Anti-Bribery and Corruption Policy, Gifts and Entertainment Policy and Whistleblowing Policy.
- ii. Obtained updates from the Management and the legal counsel regarding regulatory compliance matters.
- iii. Reviewed and reported the suspected frauds or irregularities which are of sufficient importance to warrant the attention of the Board.

Nomination and Remuneration Committee Report

The NRC was established by the Board on 20 February 2019 in preparation for the listing of the Company on the Main Market of Bursa Securities.

The NRC comprises exclusively of Non-Executive Directors, a majority of whom are Independent Directors, in compliance with Paragraph 15.08A of the MMLR of Bursa Securities as follows:

1 LENG CHOO YIN <i>Chairman</i> (Independent Non-Executive Director)	2 NG ING PENG Member (Independent Non-Executive Director)	3 BRAHMAL A/L VASUDEVAN Member (Non-Independent Non-Executive Director)
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The NRC is chaired by an Independent Non-Executive Director, in compliance with Practice 4.7 of the MCCG.

The NRC is entrusted by the Board to assist the Board in discharging its oversight function relating to the following responsibilities:

- (i) selecting, evaluating and nominating suitable candidates to the Board for appointment as Director as well as nominates Director for appointment as Chairman and member of Board Committees. In the selection for appointment, the NRC ensure that the Board and the Board Committees have an effective and balance composition with a diverse mix of skills, knowledge, qualifications, experience, age, cultural background and gender to discharge their responsibilities effectively;
- (ii) conduct an annual assessment on the effectiveness of the Board and the Board Committees and the contribution of each individual Director and the independence of Independent Directors;
- (iii) assess the performance of the Executive Director(s) (“EDs”) against the KPIs set for them;
- (iv) ensure that the Group has in place a remuneration policy and framework consistent with the Group’s business strategy, and a competitive remuneration structure so as to link rewards with corporate and individual performance to attract and retain the right talent of the appropriate calibre, skills, experience and quality needed in the Board (which includes the EDs in order to drive and achieve the Group’s long-term objectives);
- (v) ensure that a succession plan is in place for the Board and EDs of the Company; and
- (vi) ensure that the ESOS of the Company is fairly and properly administered and implemented in accordance with the ESOS By-Laws.

The authority, duties and responsibilities of the NRC are set out in its written TOR which is accessible in the corporate website at www.mrdiy.com.

During the financial year under review, a total of three (3) meetings of the NRC were held and attended by all the NRC members.

Besides meeting physically, the NRC can also made decisions via Circular Resolution when urgent decision is to be made and meeting physically is not feasible as allowed in its TOR and the Constitution of the Company.

Nomination and Remuneration Committee Report

During the financial year under review, the following activities were undertaken by the NRC:

1. Reviewed and recommended to the Board for approval the annual performance evaluation of Managing Directors (“MDs”) and ED in respect of the FY2019;
2. Reviewed and recommended to the Board for approval the 2019 bonus and 2020 salary increment for MDs and ED;
3. Reviewed and recommended to the Board for approval the setting of KPIs for MDs and ED in respect of the FY2020;
4. Reviewed and recommended to the Board for endorsement the annual assessment results of the Board, Board Committees and individual Directors for the FY2019;
5. Reviewed and recommended to the Board for approval on change of member of the Corporate Responsibility Committee;
6. Reviewed and recommended to the Board for approval the revised grant and allocation of ESOS options to be granted to the eligible Directors and employees pursuant to the ESOS in conjunction with the IPO of the Company;
7. Reviewed and recommended to the Board for approval the remuneration package for EDs and KSM in respect of the FY2020;
8. Reviewed and recommended to the Board for approval the revised allocation of shares to the eligible employees of the Group to participate in the retail offering of the IPO via pink form in conjunction with the IPO of the Company;
9. Reviewed and recommended to the Board for approval the allocation of excess shares applied via pink form to eligible Directors and persons connected to them in conjunction with the IPO of the Company;
10. Reviewed and recommended to the Board for approval the waiver of eligibility condition for ESOS, effective date of implementation of ESOS and date of offer for ESOS;
11. Reviewed and recommended to the Board for approval the annual performance evaluation of EDs in respect of the FY2020;
12. Reviewed and recommended to the Board for approval the setting of KPIs for EDs in respect of the financial year ending 31 December 2021; and
13. Reviewed and recommended to the Board for approval the remuneration policy for EDs and KSM.

SELECTION, APPOINTMENT AND RE-ELECTION OF DIRECTORS

One of the primary functions of the NRC is to nominate and recommend to the Board for its consideration suitable candidates for new appointment as Directors of the Company and also recommend retiring Director(s) for re-election at AGM.

The NRC considers various sources of recommendations from the existing Board members, Management or major shareholders as well as other independent sources such as professional corporate director recruitment agencies, where possible, in sourcing suitable candidates for new appointment of Directors.

In making assessment and recommendation of suitable candidates for new appointment, the NRC considers the objective criteria, merit and various diversity factors including skills, knowledge, expertise, experience, professionalism, integrity and other relevant qualities of the candidates including commitment (including time commitment) to effectively discharge his/her role as a Director and to strengthen the Board composition so as to meet the objectives and strategic goals of the Company.

In the case of appointment of an Independent Director, the NRC would consider the candidate’s ability to discharge such responsibilities/functions as expected of an Independent Director to bring objectivity and independent judgment, and whether he/she meets the requirements of independence as defined in Paragraph 1.01 and Practice Note 13 in the MMLR of Bursa Securities.

Pursuant to Clause 130 of the Constitution of the Company, one-third of the Directors are subject to retirement by rotation at every AGM such that each Director shall retire from office once in every three (3) years and shall be eligible for re-election.

Tan Yu Yeh and Ng Ing Peng will be retiring by rotation and standing for re-election at the forthcoming AGM of the Company and being eligible have offered themselves for re-election. Based on the annual Board effectiveness evaluation conducted in February 2021, the NRC and the Board reviewed and recommended Tan Yu Yeh and Ng Ing Peng for re-election at the forthcoming AGM of the Company after collectively agreed that both had met the qualification of directors vis-à-vis character, experience, integrity, competence and time committed as prescribed in Paragraph 2.20A of the MMLR of Bursa Securities and the relevant qualities

Nomination and Remuneration Committee Report

to effectively discharge their respective roles as Directors. Ng Ing Peng had also met the requirements of independence as defined in the MMLR of Bursa Securities.

Both the retiring Directors abstained in the deliberations and voting at the NRC and/or Board meetings in respect of their re-election.

ANNUAL BOARD EFFECTIVENESS EVALUATION (“BEE”)

The NRC is tasked to review the size, composition and effectiveness of the Board and Board Committees to ensure that members of the Board possess the relevant knowledge, skills, qualifications, competencies, functional and management experience, characteristics and mind-set to contribute effectively to the Board and to ensure an appropriate balance of skills, experience, qualifications and diversity.

The Board had in November 2019, adopted the self-assessment and peer assessment methodologies, as the case may be, to assess the effectiveness of the Board as a whole, the Board Committees, individual Directors and the independence of the Independent Non-Executive Directors on an annual basis. The BEE would be conducted on-line internally and facilitated by the Company Secretary.

The BEE process involves the Directors would be requested to conduct on-line self-assessment and peer-assessment by completing set of questionnaires. The areas/criteria of assessment for Board and Board Committees include roles and responsibilities, Board mix and composition, information to the Board, conduct of meetings, Board relationship with Management, skills and competencies, and performance. Whilst, the areas/criteria of assessment for individual Directors include fit and proper, contribution and performance, and calibre and personality. The individual Directors would also be assessed on their skill sets and type of training required is identified in order to enhance their skill sets to facilitate them in discharging their duties and responsibilities effectively.

The results of the assessments would be compiled and performance score rating is computed for tabling to the NRC for review and deliberation together with the comments and suggestions requiring improvement. The NRC would then table the results of the assessments and recommendations for improvement plans to the Board for consideration and deliberation. All the assessments carried out would be documented and kept by the Company Secretary.

In December 2020, the Directors conducted the BEE in respect of the financial year under review. The NRC reviewed and deliberated on the results of BEE as well as the comments and suggestions requiring improvement. The results of BEE and the recommendations for improvement plans were tabled to the Board for consideration and endorsement. Based on the results of the assessments conducted, the overall performance of the Board, Board Committees and individual Directors in respect of the financial year under review was rated good and above satisfactory, as the case may be. The NRC and the Board agreed that the Board as a whole, Board Committees and individual Directors had performed well and effectively. The Independent Directors had also fulfilled their independent role by their objective participation in Board deliberations and exercise independent judgement during Board meetings.

The NRC and Board also reviewed the terms of office and performance of the ARMC and each of its members in accordance with Paragraph 15.20 of the MMLR of Bursa Securities. The NRC and Board were satisfied that the ARMC and its members had carried out their duties in accordance with the ARMC's Terms of Reference.

The NRC also set KPIs of the year for the EDs to align with the corporate targets before the commencement of new financial year and evaluated the performance of the EDs against their KPIs set on an annual basis.

SUCCESSION PLANNING

The NRC would also review succession planning which will be a priority moving forward to ensure that there will be a steady pool of talent with relevant calibre and qualities to fill vacancies in Board and EDs to provide orderly succession and ensure continuity in leadership. Succession planning for critical management positions is delegated to the EDs as EDs are in the better position in identifying successors for the critical management positions as EDs manage the day-to-day business affairs of the Group.

BOARD REMUNERATION

The NRC is also responsible for establishing and reviewing, as and when necessary, the remuneration policy and procedures for the Board, Board Committees, EDs and KSM for recommendation to the Board for approval. Independent professional advice may be obtained in determining the remuneration framework.

Nomination and Remuneration Committee Report

The NRC ensure that the remuneration policy and framework is consistent with the Group's business strategy, and a competitive remuneration structure so as to link rewards with corporate and individual performance to attract and retain the right talent of the appropriate calibre, skills, experience and quality needed in order to drive and achieve the Group's long-term objectives, business sustainability and create long-term value for shareholders.

In reviewing the remuneration for the NEDs, the NRC considers various factors including the NEDs' fiduciary duties, level of responsibilities, time commitment expected of them and the Group's performance. The Board determines and decides the fees and remuneration payable to NEDs as a whole, based on the recommendation of the NRC. The NEDs are paid with Directors' fees and meeting allowances for their attendance at Board and Board Committees' meetings on monthly basis upon services rendered by the NEDs. Directors' fees and any benefits payable to the NEDs are subject to shareholders' approval at AGM pursuant to Section 230(1) of the Act. The NEDs shall abstain from deliberating and voting in Board meeting and/or AGM, if he/she is also a shareholder, in respect of their own remuneration.

A remuneration review exercise for NEDs was conducted in November 2019 which involved salary benchmarking against comparable peers of other public listed companies in retail sector, GLC, non-GLC and top 30 largest companies by market capitalisation to ensure that the remuneration payable is commensurate and aligned with the prevailing market rate. During the financial year under review, the NRC and the Board reviewed and recommended to the shareholders of the Company for approval a revision to the remuneration package for NEDs as follows:

Type of remuneration	RM
Directors' Fees	
- Non-Executive Chairman	144,000 per annum
- Other NEDs	100,800 per annum
Meeting allowance	1,000 per meeting
Chairman allowance	5,000 per month

The Chairman allowance of RM5,000 per month payable to our Independent Non-Executive Chairman is for his involvement and in maintaining continuous dialogue with the relevant stakeholders relating to the corporate responsibilities activities undertaken by the Group.

A total remuneration of RM410,600 was paid to the three (3) Independent NEDs in respect of the financial year under review. Brahma A/L Vasudevan, our NINED, had voluntarily offered not to be paid any Directors' fees and meeting allowance and requested the Company to contribute any remuneration payable to him for charitable purposes.

The remuneration policy for EDs and KSM was reviewed by the NRC and recommended to the Board for endorsement on 24 November 2020.

The remuneration package for EDs is structured based on their respective individual performance against the KPIs set and corporate performance. The components of the remuneration package for EDs include basic salaries, bonuses, travelling allowances, benefits-in-kinds, ESOS and other benefits. The NRC reviews and recommends to the Board for approval the remuneration package for EDs based on their achievement of the KPIs set and corporate performance on an annual basis. The determination of the remuneration of KSM is delegated to the EDs as the EDs are in the better position to evaluate the performance and align the remuneration with the performance of the KSM.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS was established by the Company on 20 November 2019 with the aim to motivate, reward and retain its eligible EDs and employees with share options under the ESOS as an opportunity to participate in the equity of the Group and thereby relate with their contribution directly to the performance of the Group whilst at the same time, giving them a greater sense of ownership.

As part of the responsibilities of the NRC, the NRC would review the ESOS to ensure the ESOS is fairly and properly administered and implemented in accordance with the ESOS By-Laws.

During the financial year under review, the NRC reviewed and recommended to the Board for approval the implementation of the ESOS effective 22 October 2020 and offered the grant and allocation of ESOS options to the eligible EDs and employees of the Group pursuant to the ESOS.

The details of the vesting of options under the ESOS are set out on page 57 of this Annual Report 2020 under Additional Compliance Information.

[The NRC Report was endorsed by the NRC on 31 March 2021.]

Additional Compliance Information

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

Mr D.I.Y. Group (M) Berhad (“the Company”) was listed on the Main Market of Bursa Securities on 26 October 2020 (“Listing”). In conjunction with the Listing, the Company undertook a public issue of 188,400,000 new ordinary shares at an issue price of RM1.60 per share, raising gross proceeds of approximately RM301.4 million (“IPO Proceeds”). The status of the utilisation of the IPO Proceeds for the FY2020 is as follows:

Details of use of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Re-allocation RM'000	Balance unutilised RM'000	Estimated timeframe for use from the date of Listing
Repayment of bank borrowings	276,140	(277,077)	937 ⁽¹⁾	-	Within 6 months
Defray fees and expenses for IPO and Listing	25,300	(24,363)	(937) ⁽¹⁾	-	Within 6 months
Total	301,440	(301,440)	-	-	

Note:

⁽¹⁾ The unutilised balance of RM937,000 allocated for estimated defray fees and expenses for IPO and Listing had been re-allocated to repayment of bank borrowings during the FY2020.

The utilisation of proceeds as disclosed above should be read in conjunction with the Company’s Prospectus dated 6 October 2020.

AUDIT & NON-AUDIT FEES

The amount of fees paid/payable to BDO PLT, External Auditors, and its member firm and affiliate for the audit and non-audit services rendered to the Company and its subsidiaries (“Group”) for the FY2020 are as follows:

	Group 2020 RM'000	Company 2020 RM'000
Statutory audit		
- BDO PLT	434	60
- Member firm of BDO PLT	24	-
Non-statutory audit		
- BDO PLT	1,135	798
- Affiliate and member firm of BDO PLT	234	10

The non-statutory audit fees include services performed in connection with the Company’s initial public offering, review of Statement on Risk Management and Internal Control, tax compliance and transfer pricing services.

MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of the Director, Chief Executive Officer and/or major shareholders during the FY2020 or still subsisting at the end of the FY2020.

Additional Compliance Information

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The shareholders of the Company had via its Extraordinary General Meeting ("EGM") held on 20 November 2019, approved the establishment of the ESOS of the Company. The shareholders had also via its EGM held on 15 September 2020, authorised the Board to grant ESOS options to the eligible Directors and employees of the Group, subject to the ESOS By-Laws governing the ESOS. The ESOS was implemented by the Company on 22 October 2020 and has a duration of five (5) years, which will expire on 21 October 2025.

The Company had since the implementation of the ESOS, offered and granted a total of 47,090,000 ESOS options under the ESOS to the eligible Directors and employees of the Group. 25% of the total ESOS options granted and accepted are exercisable effective 23 October 2021.

Total number of options granted and accepted by the eligible Directors and employees of the Group during the FY2020 and since the commencement of ESOS are 46,700,000 and 47,090,000 respectively.

Total number options granted to Directors and Chief Executive during the FY2020 and since the commencement of ESOS is 3,890,000.

There is no maximum allocation of ESOS options to the Directors and Senior Management prescribed in the ESOS By-Laws. The total ESOS options granted to the Directors and Senior Management represents 17.8% of the total ESOS options granted under the ESOS.

There was no ESOS option offered to the Non-Executive Directors of the Company pursuant to the ESOS in respect of the FY2020.

RECURRENT RELATED PARTY TRANSACTIONS

The Company will be seeking its first shareholders' mandate for the Recurrent Related Party Transactions ("RRPTs"), following its listing on 26 October 2020, at its forthcoming 10th Annual General Meeting to be held on 15 June 2021. The details of the proposed shareholders' mandate for RRPTs to be entered by the Company and/or its subsidiaries with the related parties are disclosed in the Circular to Shareholders dated 28 April 2021 to be issued together with this Annual Report 2020.

BUSINESS LICENCES AND FIRE CERTIFICATES

As stated in our Prospectus, we are required to obtain business licence for each of our stores and fire certificates for our distribution centre in Malaysia. The business licence is a licence granted to the store by the relevant local councils to undertake business operations within the premises whilst a fire certificate is only issued by the Fire and Rescue Department of Malaysia to a premise which has been inspected by the Fire and Rescue Department of Malaysia once they are satisfied that there are adequate facilities for life safety, fire prevention, fire protection and fire fighting for the premise.

As at 31 March 2021, we have yet to obtain business licences for 82 stores or 11.2% of our total store count as at 31 December 2020.

In respect of fire certificates, our Group had managed to obtain fire certificates for 2 out of our 13 distribution centres in Malaysia.

Notwithstanding the above, applications have already been submitted to the relevant authorities for the outstanding business licences and fire certificates.

Directors' Responsibility Statement

Pursuant to the Act and Paragraph 15.26(a) of the MMLR of Bursa Securities, the Directors are required to prepare the financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Act in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies in accordance with applicable approved accounting standards and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Act also requires the Directors to ensure that the Group and the Company keep such accounting and other records of the Group and of the Company with reasonable accuracy to ensure that the financial statements comply with the provisions of the Act.

The Directors are also responsible for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

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Mr D.I.Y. Taman Ubai Perdana, Kuantan, Pahang

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities and details of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	337,161	45,513
Attributable to:		
Owners of the Company	337,161	45,513

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 31 December 2020:	
First interim single tier dividend of RM5,000 per ordinary share, paid on 30 July 2020.	50,000
Second interim single tier dividend of RM0.0073 per ordinary share, paid on 18 December 2020.	45,819
	95,819

On 17 February 2021, the Company declared a third interim single tier dividend of RM0.0070 per ordinary share amounted to RM43,936,200 in respect of the financial year ended 31 December 2020, which is payable on 8 April 2021. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2020.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those presented in the statements of changes in equity.

ISSUE OF SHARES AND DEBENTURES

On 23 September 2020, the Company issued and allotted 60,872,000 new ordinary shares in the Company to the shareholders of the Company [except for Mr D.I.Y. Holdings (M) Sdn. Bhd. ("MDHM")] and the shareholders of MDHM and/or their investment holding companies at a total consideration of RM100,000 ("Share Issuance") to facilitate the re-organisation of the shareholding structure whereby the interests in the Company are held directly by the shareholders of MDHM and/or their investment holding companies together with Hyptis Limited. Upon completion of the Share Issuance, the total number of ordinary shares increased from 10,000 to 60,882,000 shares.

Upon completion of the Share Issuance, the Company had carried out a subdivision of 1 existing ordinary share in the Company to 100 new ordinary shares in the Company ("Subdivision") on 23 September 2020. Upon completion of the Subdivision, the total number of ordinary shares in the Company increased to 6,088,200,000 shares.

On 23 October 2020, the Company undertook a public issue of 188,400,000 new ordinary shares in conjunction with the initial public offering of the Company at an issue price of RM1.60 per ordinary share.

The newly issued ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company. There were no other issuances of shares during the financial year.

The Company did not issue any debentures during the financial year.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

On 20 November 2019, the Company established an ESOS for the granting of ESOS to eligible Directors and employees of the Group. The ESOS was implemented on 22 October 2020.

The ESOS is administered by the Nomination and Remuneration Committee and governed by the By-Laws of the ESOS.

The salient features of the ESOS are as follows:

- (a) The total number of new ordinary shares in the Company, which may be made available under the ESOS shall not exceed in aggregate 5% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS;
- (b) The ESOS shall be in force for a period of five (5) years from the effective date and is renewable for a period of up to five (5) years immediately from the expiry of first five (5) years;
- (c) Subject to the discretion of the Nomination and Remuneration Committee, an employee or a Director of the Group who fulfils the relevant conditions of the By-Laws of the ESOS shall be eligible to participate in the ESOS ("Eligible Person");
- (d) The number of the options to be offered to an Eligible Person in accordance with the ESOS shall be determined based on, *inter alia*, the Eligible Person's position, ranking, performance, contribution, seniority, length of service, fulfilment of the relevant eligibility criteria, and/or such other matters as the Nomination and Remuneration Committee deems fit and the offer shall be valid for acceptance by an Eligible Person for a period of thirty (30) days from the date of offer;
- (e) Subject to any adjustments made under the By-Laws of the ESOS and pursuant to the listing requirements of Bursa Malaysia Securities Berhad, the exercise price shall be:
 - (i) In respect of any offer which is made in conjunction with the listing of the Company, the final price paid by investors for the ordinary shares issued by the Company under its retail offering pursuant to its initial public offering;

Directors' Report

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONTINUED)

The salient features of the ESOS are as follows: (continued)

- (e) Subject to any adjustments made under the By-Laws of the ESOS and pursuant to the listing requirements of Bursa Malaysia Securities Berhad, the exercise price shall be: (continued)
- (ii) In respect of any offer which is made subsequent to the listing of the Company, as determined by the Nomination and Remuneration Committee and shall be based on the five (5)-day volume weighted average market price of the ordinary shares of the Company immediately preceding the date of the offer, with a discount, if any, provided always that such discount is not more than ten percent (10%), if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities as amended from time to time during the option period; and
- (f) The aggregate number of ordinary shares in the Company, which a grantee can subscribe under his/her options in a particular year of the ESOS shall at times be subject to a maximum of twenty-five percent (25%) of the total number of ordinary shares in the Company comprising the options held by such grantee. Any remaining unexercised options for any particular year will be accumulated in the following year.

Details of the ESOS options granted are as follows:

Exercise price RM	Date of offer	Number of options over ordinary shares			Balance as at 31.12.2020
		Granted	Lapsed	Exercised	
1.60	23.10.2020	46,700,000	-	-	46,700,000

On 29 March 2021, the Company offered and granted 390,000 units of ESOS options under the existing ESOS scheme to an eligible employee of the Group with an exercise price of RM3.47.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Mr D.I.Y. Group (M) Berhad

Dato' Azlam Shah Bin Alias

Tan Yu Yeh

Ong Chu Jin Adrian

Brahmal A/L Vasudevan

Ng Ing Peng

Leng Choo Yin

Tan Yu Wei (Resigned on 3 March 2020)

Tan Yu Wei* (Appointed on 3 March 2020)

Soo Sze Yang^ (Appointed on 22 June 2020)

* *Alternate Director to Tan Yu Yeh*

^ *Alternate Director to Brahmal A/L Vasudevan*

Subsidiaries of Mr D.I.Y. Group (M) Berhad

Chong Swee Lee

Tan Yew Teik

Tan Yew Hock

Hajah Wadiwana Binti Hj Serudin

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2020 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares				
	Balance as at 1.1.2020	Allotment and subdivision	Acquired	Sold	Balance as at 31.12.2020
The Company					
<u>Direct interests:</u>					
Dato' Azlam Shah Bin Alias	-	-	500,000	-	500,000
Tan Yu Yeh	1	245,265,099	-	(244,675,100) ^a	590,000
Ong Chu Jin Adrian	-	49,904,000	-	(6,161,894) ^a	43,742,106
Ng Ing Peng	-	-	380,000	(80,000)	300,000
Leng Choo Yin	-	-	600,000	-	600,000
Tan Yu Wei	-	148,062,800	-	(148,062,800) ^a	-
<u>Deemed interests:</u>					
Tan Yu Yeh	8,199 ^b	3,203,036,701 ^{b&c}	-	(819,900) ^a	3,202,225,000 ^c
Brahmal A/L Vasudevan	-	-	719,300 ^d	-	719,300 ^d
Tan Yu Wei	8,199 ^b	3,203,036,701 ^{b&e}	-	(819,900) ^a	3,202,225,000 ^e
Ng Ing Peng ^f	-	-	45,000	(45,000)	-
Leng Choo Yin ^f	-	-	100,000	-	100,000

	Number of ordinary shares			
	Balance as at 1.1.2020	Acquired	Sold	Balance as at 31.12.2020
Immediate holding company				
Bee Family Limited				
<u>Deemed interests:</u>				
Tan Yu Yeh ^g	54,237	-	-	54,237
Tan Yu Wei ^h	32,823	-	-	32,823

	Number of ordinary shares			
	Balance as at 1.1.2020	Acquired	Sold	Balance as at 31.12.2020
Ultimate holding company				
Yeh Family (PTC) Ltd.				
<u>Direct interest:</u>				
Tan Yu Yeh	1,000	-	-	1,000

Directors' Report

DIRECTORS' INTERESTS (CONTINUED)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2020 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

	Number of options over ordinary shares			Balance as at 31.12.2020
	Granted on 23.10.2020	Exercised	Expired	
The Company				
<u>Direct interests:</u>				
Tan Yu Yeh	1,650,000	-	-	1,650,000
Tan Yu Wei	1,410,000	-	-	1,410,000
Ong Chu Jin Adrian	830,000	-	-	830,000

- ^a Offer for sale pursuant to initial public offering exercise.
- ^b Deemed interested by virtue of his interest in Mr D.I.Y. Holdings (M) Sdn. Bhd., applying Section 8(4) of the Companies Act 2016.
- ^c Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in Yeh Family (PTC) Ltd., applying Section 8(4) of the Companies Act 2016.
- ^d Deemed interested by virtue of his interest in Creador Sdn. Bhd., applying Section 8(4) of the Companies Act 2016.
- ^e Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in WEI Future Capital Ltd., applying Section 8(4) of the Companies Act 2016.
- ^f Deemed interested by virtue of the shares held by her spouse, applying Section 59(11)(c) of the Act.
- ^g Deemed interested by virtue of his interest in Yeh Family (PTC) Ltd., applying Section 8(4) of the Companies Act 2016.
- ^h Deemed interested by virtue of his interest in WEI Future Capital Ltd., applying Section 8(4) of the Companies Act 2016.

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Tan Yu Yeh and Tan Yu Wei are also deemed to be interested in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

The other Director holding office at the end of the financial year did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the transactions entered into in the ordinary course of business as disclosed in Note 31 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 27 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The amount of insurance premium borne by the Company for the financial year 2020 was RM39,900.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that provision need not be made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

Directors' Report

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONTINUED)

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

HOLDING COMPANIES

The immediate and ultimate holding companies of the Company are Bee Family Limited and Yeh Family (PTC) Ltd. respectively, both of which are incorporated in British Virgin Islands.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2020 are as disclosed in Note 26 to the financial statements.

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

.....
Tan Yu Yeh
Director

.....
Ong Chu Jin Adrian
Director

Kuala Lumpur
31 March 2021

Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 72 to 137 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Tan Yu Yeh
Director

.....
Ong Chu Jin Adrian
Director

Kuala Lumpur
31 March 2021

Statutory Declaration

I, Ong Chu Jin Adrian (CA 9971), being the Director primarily responsible for the financial management of Mr D.I.Y. Group (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 72 to 137 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
31 March 2021)

Ong Chu Jin Adrian

Before me:

Independent Auditors' Report to the Members of Mr D.I.Y. Group (M) Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mr D.I.Y. Group (M) Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 72 to 137.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

(a) Revenue recognition involving large volumes of low value transactions

We refer to Note 3.17(a) and Note 23 to the financial statements on the recognition of revenue in accordance with MFRS 15 *Revenue from Contracts with Customers*.

The Group utilises information technology system for the processing and recording of revenue involving large volumes of sales generated from its retail outlets, which predominantly consists of individually low value transactions.

We determined this to be a key audit matter as the revenue recognised from sales generated from retail outlets are material to the Group and poses a significant risk of material misstatement to the financial statements on the timing and amount of revenue recognised due to the nature of the sales transactions, which involves large volume of low value transactions.

Audit response

Our audit procedures included the following:

- (i) obtained an understanding of the design and implementation of key controls pertaining to the recording of sales and revenue recognition;

**Independent Auditors' Report to the
Members of Mr D.I.Y. Group (M) Berhad
(Incorporated in Malaysia)**

Key Audit Matters (continued)

- (a) Revenue recognition involving large volumes of low value transactions (continued)

Audit response (continued)

Our audit procedures included the following: (continued)

- (ii) tested the operating effectiveness of the key manual and automated controls over the processing and recording of revenue, including relevant information technology general controls through the involvement of our information technology specialists;
 - (iii) tested the accuracy of data interface between the Point of Sales system and the general ledger;
 - (iv) performed procedures by tracing samples of sales transactions against cash receipts deposited to financial institutions and the statements from financial institutions; and
 - (v) performed cut-off procedures to determine that sales transactions were recorded in the appropriate accounting period.
- (b) Recognition of right-of-use assets and lease liabilities

We refer to Note 4.2(a) and Note 8 to the financial statements on the recognition of right-of-use assets and lease liabilities. As at 31 December 2020, the Group had recognised right-of-use assets and lease liabilities for leases of Group with carrying amounts of RM879,422,000 and RM934,382,000 respectively.

We determined this to be a key audit matter because it requires management to exercise significant judgements for specific assumptions applied in determining right-of-use assets and lease liabilities. The specific assumptions include the determination of appropriate discount rates and assessment of lease terms, including renewal and termination options of the leases.

Audit response

Our audit procedures included the following:

- (i) obtained an understanding of the design and implementation of key controls pertaining to the recognition of leases;
- (ii) assessed the appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs;
- (iii) assessed the appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal and termination options of the leases;
- (iv) verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information; and
- (v) assessed the appropriateness of applying the requirements of Amendment to MFRS 16 *COVID-19-Related Rent Concessions*.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

Independent Auditors' Report to the Members of Mr D.I.Y. Group (M) Berhad

(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report to the Members of Mr D.I.Y. Group (M) Berhad (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Tang Seng Choon
02011/12/2021 J
Chartered Accountant

Kuala Lumpur
31 March 2021

Statements of Financial Position

As at 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	436,331	354,035	-	-
Intangible assets	7	5,041	3,731	-	-
Right-of-use assets	8	879,422	690,468	-	-
Investments in subsidiaries	9	-	-	162,765	160,553
Investment in an associate	10	6,226	4,758	1,620	1,620
Other receivable	13	-	-	33,733	-
Deferred tax assets	11	17,273	11,859	-	-
		1,344,293	1,064,851	198,118	162,173
Current assets					
Inventories	12	690,047	496,646	-	-
Trade and other receivables	13	127,754	121,802	199,201	13
Cash and bank balances	14	90,885	140,671	30,498	13,682
		908,686	759,119	229,699	13,695
TOTAL ASSETS		2,252,979	1,823,970	427,817	175,868
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	295,625	1,970	295,625	1,970
Reserves	16	581,051	338,504	124,267	173,361
TOTAL EQUITY		876,676	340,474	419,892	175,331
LIABILITIES					
Non-current liabilities					
Borrowings	17	20,761	611,541	-	-
Lease liabilities	8	813,612	632,690	-	-
Provision for restoration costs	20	16,008	14,218	-	-
Deferred tax liabilities	11	2,324	2,338	-	-
		852,705	1,260,787	-	-
Current liabilities					
Trade and other payables	21	119,925	81,798	7,627	458
Borrowings	17	242,823	11,814	-	-
Lease liabilities	8	120,770	94,214	-	-
Provision for restoration costs	20	536	510	-	-
Current tax liabilities		39,544	34,373	298	79
		523,598	222,709	7,925	537
TOTAL LIABILITIES		1,376,303	1,483,496	7,925	537
TOTAL EQUITY AND LIABILITIES		2,252,979	1,823,970	427,817	175,868

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	23	2,559,315	2,275,587	58,092	632,310
Cost of sales		(1,467,819)	(1,311,894)	-	-
Gross profit		1,091,496	963,693	58,092	632,310
Other operating income		21,970	10,261	1,524	1,117
Administrative expenses		(102,928)	(70,455)	(13,561)	(7,878)
Other operating expenses	24	(485,830)	(402,867)	(191)	(51)
Profit from operations		524,708	500,632	45,864	625,498
Finance costs	25	(68,951)	(64,606)	-	-
Share of profit of an associate		1,918	1,707	-	-
Profit before tax	26	457,675	437,733	45,864	625,498
Income tax expense	28	(120,514)	(120,165)	(351)	(188)
Profit for the financial year, attributable to the owners of the Company		337,161	317,568	45,513	625,310
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
(Loss)/Gain on foreign currency translation		(7)	17	-	-
Other comprehensive (loss)/income, net of tax		(7)	17	-	-
Total comprehensive income, attributable to the owners of the Company		337,154	317,585	45,513	625,310
Earnings per share attributable to the owners of the Company (sen)					
Basic*	29	20.03	31,757		
Diluted*	29	20.00	31,757		

* The weighted average number of ordinary shares in issue as at end of each reporting period used in the calculation of the basic and diluted earnings per share have been adjusted retrospectively to reflect the Subdivision, which was completed on 23 September 2020 as disclosed in Note 15 to the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2020

Group	Note	Share capital RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at							
1 January 2019		1,970	(117,450)	42	-	640,000	524,562
Profit for the financial year		-	-	-	-	317,568	317,568
Other comprehensive income, net of tax		-	-	17	-	-	17
Total comprehensive income		-	-	17	-	317,568	317,585
Transactions with owners							
Dividends paid	30	-	-	-	-	(501,673)	(501,673)
Balance as at							
31 December 2019/ 1 January 2020		1,970	(117,450)	59	-	455,895	340,474
Profit for the financial year		-	-	-	-	337,161	337,161
Other comprehensive loss, net of tax		-	-	(7)	-	-	(7)
Total comprehensive (loss)/ income		-	-	(7)	-	337,161	337,154
Transactions with owners							
Issuance of shares	15	301,540	-	-	-	-	301,540
Dividends paid	30	-	-	-	-	(95,819)	(95,819)
ESOS share options expenses	16(c)	-	-	-	1,212	-	1,212
Share issuance expenses	15	(7,885)	-	-	-	-	(7,885)
Total transactions with owners		293,655	-	-	1,212	(95,819)	199,048
Balance as at							
31 December 2020		295,625	(117,450)	52	1,212	697,237	876,676

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2020 (continued)

Company	Note	Share capital RM'000	Share options reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2019		1,970	-	48,051	50,021
Profit for the financial year		-	-	625,310	625,310
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	625,310	625,310
Transactions with owners					
Dividends paid	30	-	-	(500,000)	(500,000)
Balance as at 31 December 2019/ 1 January 2020		1,970	-	173,361	175,331
Profit for the financial year		-	-	45,513	45,513
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	45,513	45,513
Transactions with owners					
Issuance of shares	15	301,540	-	-	301,540
Dividends paid	30	-	-	(95,819)	(95,819)
ESOS share options expenses	16(c)	-	1,212	-	1,212
Share issuance expenses	15	(7,885)	-	-	(7,885)
Total transactions with owners		293,655	1,212	(95,819)	199,048
Balance as at 31 December 2020		295,625	1,212	123,055	419,892

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		457,675	437,733	45,864	625,498
Adjustments for:					
Amortisation of intangible assets	7	1,192	917	-	-
Depreciation of property, plant and equipment	6	52,309	41,685	-	-
Depreciation of right-of-use assets	8	119,142	96,201	-	-
Dividend income	23	-	-	(58,092)	(632,310)
Fair value of financial guarantee contracts	26	-	-	248	(334)
Gain on disposal of property, plant and equipment	26	(370)	(306)	-	-
Gain on reassessments and modifications of leases	26	(67)	(473)	-	-
Interest expense on:					
- borrowings	25	22,807	26,516	-	-
- lease liabilities	25	45,520	37,373	-	-
Unwinding of discount on provision for restoration costs	25	624	717	-	-
Interest income	26	(3,167)	(3,120)	(1,524)	(784)
Inventory losses	12	16,780	18,338	-	-
Inventories written off	12	7,952	13,729	-	-
Property, plant and equipment written off	6	1,087	1,939	-	-
Rent concessions	8	(10,448)	-	-	-
Reversal of provision for restoration costs	20	(1,995)	(3,374)	-	-
Share of profit of an associate	10	(1,918)	(1,707)	-	-
ESOS share options expenses	16(c)	1,212	-	-	-
Unrealised loss on foreign exchange	26	-	65	-	-
Operating profit/(loss) before changes in working capital		708,335	666,233	(13,504)	(7,930)
Changes in working capital:					
Inventories		(218,136)	(109,394)	-	-
Trade and other receivables		(5,953)	(40,624)	(50)	(13)
Trade and other payables		21,676	(1,716)	6,922	217
Cash generated from/(used in) operations		505,922	514,499	(6,632)	(7,726)
Tax paid		(120,770)	(111,614)	(132)	(110)
Tax refunded		-	409	-	-
Net cash from/(used in) operating activities		385,152	403,294	(6,764)	(7,836)

Statements of Cash Flows

For the financial year ended 31 December 2020 (continued)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Additional investments in subsidiaries	9	-	(104,842)	(1,000)	(118,342)
Dividends received from subsidiaries		-	-	57,642	632,010
Dividend received from an associate	10	450	300	450	300
Interest income received		3,167	3,120	1,154	784
Purchases of:					
- property, plant and equipment	6	(119,918)	(115,076)	-	-
- intangible assets	7	(2,130)	(1,853)	-	-
Proceeds from disposal of:					
- property, plant and equipment		921	487	-	-
- intangible assets		-	2	-	-
(Advances to)/Repayments from subsidiaries		-	-	(232,502)	6,200
Repayment to a subsidiary		-	-	-	(400)
Net cash (used in)/from investing activities		(117,510)	(217,862)	(174,256)	520,552
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	30	(95,819)	(501,673)	(95,819)	(500,000)
Drawdowns of term loans		-	400,000	-	-
Drawdowns of revolving credits		212,666	200,000	-	-
Interest expense paid on:					
- borrowings		(22,382)	(24,661)	-	-
- lease liabilities		(45,520)	(37,373)	-	-
Payments of lease liabilities	8	(86,915)	(78,380)	-	-
Proceeds from issuance of shares		301,540	-	301,540	-
Payments of share issuance expenses		(7,885)	-	(7,885)	-
Repayments of hire purchase creditors		(395)	(701)	-	-
Repayments of term loans		(403,715)	(9,408)	-	-
Repayments of revolving credits		(188,000)	(50,600)	-	-
Withdrawals from/(Placements in) restricted bank balances	14	8,082	(8,082)	-	-
Withdrawals/(Placements) of deposits with a licensed bank with original maturity of more than three (3) months	14	104	(3)	-	-
Net cash (used in)/from financing activities		(328,239)	(110,881)	197,836	(500,000)
Net (decrease)/increase in cash and cash equivalents		(60,597)	74,551	16,816	12,716
Effects of exchange rate changes on cash and cash equivalents		(6)	(60)	-	-
Cash and cash equivalents at the beginning of financial year		125,376	50,885	13,682	966
Cash and cash equivalents at the end of financial year	14	64,773	125,376	30,498	13,682

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2020

1. CORPORATE INFORMATION

Mr D.I.Y. Group (M) Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company has been changed from Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur to Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The principal place of business of the Company has been changed from Lot 1851-A & 1851-B, Jalan KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor to Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The immediate and ultimate holding companies of the Company are Bee Family Limited and Yeh Family (PTC) Ltd. respectively, both of which are incorporated in British Virgin Islands.

The consolidated financial statements for the financial year ended 31 December 2020 comprise the financial statements of the Company and its subsidiaries and the interests of the Group in an associate. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand (“RM’000”), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 31 March 2021.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the provisions of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of these financial statements in conformity with MFRS and IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in the financial statements. Although these estimates and assumptions are based on the Directors’ best knowledge of events and actions, actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group applies the accounting policies set out below consistently throughout the periods presented in these financial statements, unless otherwise stated.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting of similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated in the consolidated financial statement. Unrealised gains arising from transactions with the associate are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests, if any, represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

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

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

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

3.2 Business combinations

Business combinations other than those involving entities under common control, are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) right-of-use assets and lease liabilities for leases are recognised and measured in accordance with MFRS 16 *Leases*;
- (c) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (d) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. The Group accounts for changes in fair value of contingent consideration that are not measurement period adjustments as follows:

- (a) Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity.
- (b) Other contingent consideration that:
 - (i) is within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9 *Financial Instruments* for the relevant period.
 - (ii) is not within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Business combinations (continued)

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

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRS. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method of accounting. The assets and liabilities of the entities are reflected at their carrying amounts reported in the consolidated financial statements of the Group. Any difference between the consideration paid and the share capital and capital reserves of the "acquired" entity is reflected within equity as merger reserve. The statements of profit or loss and other comprehensive income reflects the results of the entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

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

3.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment and depreciation (continued)

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

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal annual depreciation rates are as follows:

Buildings	2%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%
Renovations	20%
Signboards	10%

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 3.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

3.4 Intangible assets

Intangible assets other than goodwill are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Intangible assets (continued)

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and wherever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed at the end of each reporting period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Expenditure on an intangible item that are initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

Computer software

Acquired computer software is capitalised on the basis of the cost incurred to acquire and bring to use the specific software. This cost is amortised over its estimated useful life of five (5) years on a straight-line basis. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates.

3.5 Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

- (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (continued)

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

3.6 Investments

- (a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Investments (continued)

(b) Associate

An associate is an entity over which the Group and the Company has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses. An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment. When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting period of the financial statements are not coterminous, the share of results is arrived at using the latest financial statements for which the difference in end of the reporting period is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries and investment in an associate), inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Cost is determined using the weighted average method. The cost comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

3.9 Financial instruments

(a) Financial assets

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

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss (FVTPL), directly attributable transaction costs.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(a) Financial assets (continued)

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(ii) Financial assets measured subsequently at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income (FVTOCI) if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments, which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. Any gains or losses arising from the changes in fair value are recognised in profit or loss.

The Group does not have any financial assets measured at FVTOCI and FVTPL as at the end of the reporting period.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group has an option to elect an irrevocable option to designate its equity instruments at initial recognition as financial assets measured at FVTOCI if the equity instruments are not held for trading.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss for equity instruments measured at FVTPL. As for equity instruments measured at FVTOCI, any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(a) Financial assets (continued)

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below: (continued)

(ii) Financial assets measured subsequently at fair value (continued)

The Group does not have any equity instrument measured at FVTPL and FVTOCI as at the end of the reporting period.

Dividend on equity instruments are recognised in profit or loss when the right to receive payment is established.

Cash and cash equivalents consist of cash on hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

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

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Financial instruments (continued)

(b) Financial liabilities (continued)

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement: (continued)

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

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

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transactions costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim and final dividends to shareholders are recognised in equity in the period in which they are authorised for issuance.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Group at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Impairment of financial assets

The Group recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost.

The Group recognises allowance for impairment loss for trade receivables based on the simplified approach in accordance with MFRS 9 *Financial Instruments* and measures the allowance for impairment loss based on a lifetime expected credit loss from initial recognition.

At the end of each reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets other than trade receivables by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

3.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.12 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Income taxes (continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

3.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Provisions (continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Provision for restoration costs

This provision is recognised in respect of the obligation of the Group to restore leased retail outlets to its original state upon the expiry of tenancy agreements.

Provision for restoration costs comprises estimates of reinstatement costs for retail outlets upon termination of tenancy.

3.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

3.15 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Employee benefits (continued)

(b) Defined contribution plan

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and the foreign operation in Negara Brunei Darussalam makes contribution to the statutory pension schemes in Brunei. The contributions are recognised as liabilities after deducting any contributions already paid and as expenses in the period in which the employees render their services.

(c) Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions but excluding the impact of any non-market performance and service vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees could provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. The Group recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

If the options are exercised, the Company issues new shares to the employees. The proceeds received, net of any directly attributable transaction costs are recognised in ordinary share capital.

3.16 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Foreign currencies (continued)

(c) Foreign operations

Financial statements of foreign operations are translated at the end of the reporting period exchange rates to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

3.17 Revenue recognition

(a) Sales of goods

The Group recognises revenue from contracts with customers for the sale of goods based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time if the performance of the Group:

- (i) Does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to-date; or
- (ii) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.17 Revenue recognition (continued)**

(b) Other income

(i) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(ii) Rental income

Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.18 Operating segments

Operating segments are defined as components of the Group that:

- (a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) whose operating results are regularly reviewed by the chief operating decision maker of the Group particularly in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the consolidated revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
 - (i) the combined reported profit of all operating segments that did not report a loss; and
 - (ii) the combined reported loss of all reporting segments that reported a loss.
- (c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior year segment data for comparative purposes.

Notes to the Financial Statements

31 December 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

3.20 Fair value measurements

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

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) The condition and location of the asset; and
- (b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable:

- (a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Notes to the Financial Statements

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4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Critical judgements made in applying accounting policies

There are no significant judgements made by the management in the process of applying the accounting policies of the Group that have a significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Determination of the discount rates and lease term for leases

The Group determines the discount rates for leases based on the incremental borrowing rates of the Group. Significant judgements are required to be exercised by management in determining the appropriate discount rate for the respective leases based on prevailing market borrowing rates over similar lease terms, of similar value as the respective right-of-use assets in a similar economic environment.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management is required to exercise significant judgements in considering the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease.

Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

(b) Provision for restoration costs

The Group estimates provision for restoration costs based on historical costs incurred per square feet of rent area. The estimated provision for restoration costs are reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

5. OPERATING SEGMENTS

For management purposes, the Group is organised into two (2) reportable segments based on their geographical locations. The reportable segments are summarised as follows:

- (i) Malaysia; and
- (ii) Brunei.

The accounting policies of the operating segments are the same as those described in the financial statements.

The Group evaluates performance of the operating segments on the basis of profit or loss before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the reporting periods.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.

Capital expenditure

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

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5. OPERATING SEGMENTS (CONTINUED)

31 December 2020	Malaysia RM'000	Brunei RM'000	Eliminations RM'000	Total RM'000
Revenue				
Sales to external customers	2,535,294	24,021	-	2,559,315
Inter-segment sales	10,793	-	(10,793)	-
Total revenue	2,546,087	24,021	(10,793)	2,559,315
Results				
Profit from operations	523,643	8,794	(7,729)	524,708
Interest expense	(68,359)	(592)	-	(68,951)
Share of profit of an associate	1,918	-	-	1,918
Profit before tax	457,202	8,202	(7,729)	457,675
Income tax expense	(119,416)	(1,125)	27	(120,514)
Net profit for the financial year	337,786	7,077	(7,702)	337,161
Assets				
Segment assets	2,224,692	28,998	(711)	2,252,979
Non-current assets (excluding right-of-use assets, investment in an associate and deferred tax assets)	439,577	1,795	-	441,372
Investment in an associate	6,226	-	-	6,226
Liabilities				
Segment liabilities	1,358,723	17,940	(360)	1,376,303
Other segmental information				
Depreciation and amortisation	169,960	2,683	-	172,643
Interest income	3,167	-	-	3,167
Non-cash expenses other than depreciation and amortisation	27,063	592	-	27,655
Capital expenditure	138,699	46	-	138,745
31 December 2019				
Revenue				
Sales to external customers	2,255,598	19,989	-	2,275,587
Inter-segment sales	7,104	-	(7,104)	-
Total revenue	2,262,702	19,989	(7,104)	2,275,587

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5. OPERATING SEGMENTS (CONTINUED)

31 December 2019 (continued)	Malaysia RM'000	Brunei RM'000	Eliminations RM'000	Total RM'000
Results				
Profit from operations	493,523	7,041	68	500,632
Interest expense	(63,982)	(624)	-	(64,606)
Share of profit of an associate	1,707	-	-	1,707
Profit before tax	431,248	6,417	68	437,733
Income tax expense	(119,347)	(589)	(229)	(120,165)
Net profit for the financial year	311,901	5,828	(161)	317,568
Assets				
Segment assets	1,801,554	23,395	(979)	1,823,970
Non-current assets (excluding right-of-use assets, investment in an associate and deferred tax assets)	355,523	2,243	-	357,766
Investment in an associate	4,758	-	-	4,758
Liabilities				
Segment liabilities	1,472,420	11,793	(717)	1,483,496
Other segmental information				
Depreciation and amortisation	136,094	2,709	-	138,803
Interest income	3,120	-	-	3,120
Non-cash expenses other than depreciation and amortisation	34,683	105	-	34,788
Capital expenditure	130,644	19	-	130,663

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2020 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassifications RM'000	Exchange differences RM'000	Balance as at 31.12.2020 RM'000
At cost							
Freehold land	58,458	12,080	-	-	-	-	70,538
Buildings	13,430	6,470	-	-	25,401	-	45,301
Furniture, fittings and equipment	230,800	82,032	(747)	(1,189)	-	(1)	310,895
Motor vehicles	22,056	5,255	(1,016)	-	-	-	26,295
Renovations	91,479	21,991	-	(2,183)	-	-	111,287
Signboards	28,997	6,873	-	(717)	-	-	35,153
Capital work-in-progress	31,763	1,542	-	-	(25,401)	-	7,904
	476,983	136,243	(1,763)	(4,089)	-	(1)	607,373

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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 31 December 2020	Balance as at 1.1.2020 RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2020 RM'000
Accumulated depreciation						
Buildings	1,066	566	-	-	-	1,632
Furniture, fittings and equipment	62,402	27,273	(298)	(683)	-	88,694
Motor vehicles	9,845	4,173	(914)	-	-	13,104
Renovations	42,511	17,183	-	(1,982)	(1)	57,711
Signboards	7,124	3,114	-	(337)	-	9,901
	122,948	52,309	(1,212)	(3,002)	(1)	171,042

31 December 2019	Balance as at 1.1.2019 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2019 RM'000
At cost						
Freehold land	39,415	19,043	-	-	-	58,458
Buildings	13,430	-	-	-	-	13,430
Furniture, fittings and equipment	174,840	58,701	(213)	(2,532)	4	230,800
Motor vehicles	18,797	4,287	(912)	(116)	-	22,056
Renovations	73,303	21,270	-	(3,097)	3	91,479
Signboards	23,138	7,028	(5)	(1,164)	-	28,997
Capital work-in-progress	13,687	18,076	-	-	-	31,763
	356,610	128,405	(1,130)	(6,909)	7	476,983

31 December 2019	Balance as at 1.1.2019 RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2019 RM'000
Accumulated depreciation						
Buildings	797	269	-	-	-	1,066
Furniture, fittings and equipment	43,066	20,918	(105)	(1,478)	1	62,402
Motor vehicles	7,226	3,528	(843)	(66)	-	9,845
Renovations	31,002	14,349	-	(2,841)	1	42,511
Signboards	5,089	2,621	(1)	(585)	-	7,124
	87,180	41,685	(949)	(4,970)	2	122,948

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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Carrying amounts	Group	
	2020 RM'000	2019 RM'000
Freehold land	70,538	58,458
Buildings	43,669	12,364
Furniture, fittings and equipment	222,201	168,398
Motor vehicles	13,191	12,211
Renovations	53,576	48,968
Signboards	25,252	21,873
Capital work-in-progress	7,904	31,763
	436,331	354,035

(a) The Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2020 RM'000	2019 RM'000
Additions of property, plant and equipment	136,243	128,405
Other payables	(15,655)	(12,198)
Accruals	-	(524)
Financed by hire purchase creditors	(670)	(607)
Cash payments on purchase of property, plant and equipment	119,918	115,076

(b) As at the end of each reporting period, the carrying amounts of property, plant and equipment of the Group under hire purchase arrangements are as follows:

	Group	
	2020 RM'000	2019 RM'000
Motor vehicles	1,634	1,742

(c) Certain freehold land and buildings of the Group have been pledged as securities to banks for bank borrowings granted to the Group as disclosed in Note 17 to the financial statements with carrying amounts as follows:

	Group	
	2020 RM'000	2019 RM'000
Freehold land	19,075	19,075
Buildings	29,590	12,079
Capital work-in-progress - Buildings under construction	-	24,666
	48,665	55,820

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7. INTANGIBLE ASSETS

Group 31 December 2020	Balance as at 1.1.2020	Additions	Disposals	Balance as at 31.12.2020
	RM'000	RM'000	RM'000	RM'000
At cost				
Computer software	6,912	2,502	(28)	9,386

31 December 2020	Balance as at 1.1.2020	Amortisation charge for the financial year	Disposals	Balance as at 31.12.2020
	RM'000	RM'000	RM'000	RM'000
Accumulated amortisation				
Computer software	3,181	1,192	(28)	4,345

31 December 2019	Balance as at 1.1.2019	Additions	Disposals	Balance as at 31.12.2019
	RM'000	RM'000	RM'000	RM'000
At cost				
Computer software	4,670	2,258	(16)	6,912

31 December 2019	Balance as at 1.1.2019	Amortisation charge for the financial year	Disposals	Balance as at 31.12.2019
	RM'000	RM'000	RM'000	RM'000
Accumulated amortisation				
Computer software	2,278	917	(14)	3,181

	Group	
	2020	2019
	RM'000	RM'000
Carrying amount		
Computer software	5,041	3,731

- (a) Intangible assets represent computer software, which is not integral to hardware of the Group and can be separately identified. Computer software is amortised over its estimated useful life of five (5) years using the straight line method.
- (b) The Group made the following cash payments to purchase intangible assets:

	Group	
	2020	2019
	RM'000	RM'000
Additions of intangible assets	2,502	2,258
Other payables	(372)	(405)
Cash payments on purchase of intangible assets	2,130	1,853

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8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

	Group	
	2020	2019
	RM'000	RM'000
Cost		
As at 1 January	944,912	718,983
Additions	248,767	246,736
Reassessments and modifications	37,082	(20,836)
Exchange differences	(10)	29
As at 31 December	1,230,751	944,912
Accumulated depreciation		
As at 1 January	(254,444)	(190,224)
Depreciation charge for the year	(119,142)	(96,201)
Reassessments and modifications	22,250	31,989
Exchange differences	7	(8)
As at 31 December	(351,329)	(254,444)
Carrying amounts	879,422	690,468

The right-of-use assets represent non-cancellable operating lease agreements entered into by the Group for the use of retail outlets and warehouses. The leases are mainly for an initial lease period of three (3) years with options to renew every three (3) years up to a total of fifteen (15) years.

(b) Lease liabilities

	Group	
	2020	2019
	RM'000	RM'000
Non-current		
Lease liabilities	813,612	632,690
Current		
Lease liabilities	120,770	94,214
	934,382	726,904

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8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Lease liabilities (continued)

The movements of lease liabilities during the financial year are as follows:

	Group	
	2020 RM'000	2019 RM'000
As at 1 January	726,904	551,327
Interest charged for the year	45,520	37,373
Additions	245,580	243,255
Reassessments and modifications	59,265	10,680
Rent concessions	(10,448)	-
Exchange differences	(4)	22
Payments of:		
- Principal	(86,915)	(78,380)
- Interest	(45,520)	(37,373)
As at 31 December	934,382	726,904

(c) Variable lease payments arising from COVID-19 related rent concessions recognised in other operating income during the current financial year ended 31 December 2020 are RM10,448,000.

(d) The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group. The lease payments are discounted using the annual incremental borrowing rates of the Group ranging from 4.35% to 5.75% (2019: 5.60%).

(e) Expenses relating to leases of low-value assets and short-term leases (included in administrative expenses and other operating expenses) are as follows:

	Group	
	2020 RM'000	2019 RM'000
Rental expenses on:		
- advertising spaces	3,719	3,187
- equipment	603	288
- premises	4,470	3,459
- others	7	6
	8,799	6,940

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8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

- (f) The table below summarises the maturity profile of the lease liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Group	Within 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2020				
Lease liabilities	166,662	618,603	337,706	1,122,971
31 December 2019				
Lease liabilities	132,572	481,210	274,130	887,912

- (g) Reconciliation of liabilities arising from financing activities

The table below details changes in lease liabilities of the Group arising from financing activities, including both cash and non-cash changes. Lease liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows of the Group as cash flows from financing activities.

	Group	
	2020 RM'000	2019 RM'000
Lease liabilities		
As at 1 January	726,904	551,327
Cash flows:		
- Payments of lease liabilities	(86,915)	(78,380)
- Payments of lease interests	(45,520)	(37,373)
Non-cash flows:		
- Additions	245,580	243,255
- Interest expenses	45,520	37,373
- Reassessments and modifications	59,265	10,680
- Rent concessions	(10,448)	-
- Exchange differences	(4)	22
As at 31 December	934,382	726,904

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
At cost		
- unquoted shares	162,765	160,553

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9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2020 %	2019 %	
Mr D.I.Y. (Kuchai) Sdn. Bhd.	Malaysia	100	100	Retail of home improvement products and mass merchandise
Mr. D.I.Y. (M) Sdn. Bhd.	Malaysia	100	100	Retail of home improvement products and mass merchandise
Mr D.I.Y. (KK) Sdn. Bhd.	Malaysia	100	100	Retail of home improvement products and mass merchandise
Mr. D.I.Y. (H) Sdn. Bhd.	Malaysia	100	100	Retail of home improvement products and mass merchandise
Mr D.I.Y. (Johor) Sdn. Bhd.	Malaysia	100	100	Retail of home improvement products and mass merchandise
Mr. D.I.Y. (EM) Sdn. Bhd.	Malaysia	100	100	Retail of home improvement products and mass merchandise
Mr D.I.Y. Sdn. Bhd.	Malaysia	100	100	Retail of home improvement products and mass merchandise
Mr D.I.Y. Ecommerce (M) Sdn. Bhd.	Malaysia	100	100	Retail sale of any kind of products over the internet
Mr. D.I.Y. Trading Sdn. Bhd.	Malaysia	100	100	Trading of home improvement products, mass merchandise and groceries
Mr D.I.Y. Management Sdn. Bhd. ("MDM")#	Malaysia	95	95	Property investment and letting of properties
Mr D.I.Y. Kids Sdn. Bhd.	Malaysia	100	100	Retail sale of games and toys
Mr. Dollar Sdn. Bhd.	Malaysia	100	-	Retail of home improvement products, mass merchandise and groceries
Mr. Dollar (Northern) Sdn. Bhd.^	Malaysia	100	-	Retail of home improvement products, mass merchandise and groceries
Mr. Dollar (Southern) Sdn. Bhd.^	Malaysia	100	-	Retail of home improvement products, mass merchandise and groceries
Mr. Dollar (East Coast) Sdn. Bhd.^	Malaysia	100	-	Retail of home improvement products, mass merchandise and groceries
Mr. Dollar (EM) Sdn. Bhd.^	Malaysia	100	-	Retail of home improvement products, mass merchandise and groceries
Mr D.I.Y. Management Two Sdn. Bhd.^	Malaysia	100	-	Property investment and letting of properties
Mr D.I.Y. (B) Sdn. Bhd. ("MD(B)")*	Brunei	100	100	Retail of home improvement products and mass merchandise

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9. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (a) Details of the subsidiaries are as follows: (continued)
- # The shareholders representing the remaining 5% equity interest in MDM have waived all their present and future rights, title, interest in and to all dividends declared, distributed or paid by MDM. Consequently, the Group has consolidated MDM based on 100% ownership.
- ^ Statutory audit not required as at 31 December 2020 as the companies are newly incorporated during the financial year.
- * Audited by a member firm of BDO International.
- (b) On 3 June 2020, the Company had incorporated a new subsidiary known as Mr. Dollar Sdn. Bhd. with a paid up share capital of RM2 comprising 2 ordinary shares. On 23 July 2020, the Company subscribed for additional 999,998 ordinary shares in Mr. Dollar Sdn. Bhd. at RM1 per ordinary share.
- (c) On 24 November 2020, the Company had incorporated several new subsidiaries known as Mr. Dollar (Northern) Sdn. Bhd., Mr. Dollar (Southern) Sdn. Bhd., Mr. Dollar (East Coast) Sdn. Bhd., Mr. Dollar (EM) Sdn. Bhd. and Mr D.I.Y. Management Two Sdn. Bhd. with a paid up share capital of RM2 comprising 2 ordinary shares for each of the new subsidiaries respectively.
- (d) During the current financial year, the Company had capitalised RM1,212,000 as investments in subsidiaries for ESOS share options expenses in relation to employees of the respective subsidiaries.
- (e) In the previous financial year, the Company incorporated a subsidiary known as Mr D.I.Y. Kids Sdn. Bhd. with a paid up share capital of RM1 comprising 1 ordinary share. On 11 April 2019, the Company subscribed for additional 2,999,999 ordinary shares in Mr D.I.Y. Kids Sdn. Bhd. at RM1 per ordinary share.
- (f) In the previous financial year, the Company entered into a sale and purchase agreement to acquire the entire equity interest in MD(B) comprising 1,000 ordinary shares for a total purchase consideration of RM90,000,000 in three tranches of RM30,000,000 each. The purchase consideration was subject to adjustment where the actual profit after tax of MD(B) for the financial year 2018 was more than RM4,500,000 but less than RM5,500,000. The acquisition of MD(B) was completed on 10 May 2019 and the final purchase consideration was determined at RM104,842,260.
- (g) In the previous financial year, the Company subscribed additional new ordinary shares in its subsidiaries as follows:

Subsidiary	Number of new ordinary shares	
	subscribed ('000)	Consideration (RM'000)
2019		
Mr. D.I.Y. (EM) Sdn. Bhd.	2,700	2,700
Mr. D.I.Y. (H) Sdn. Bhd.	2,500	2,500
Mr D.I.Y. (KK) Sdn. Bhd.	2,800	2,800
Mr D.I.Y. (Johor) Sdn. Bhd.	2,500	2,500
		10,500

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10. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares, at cost	1,620	1,620	1,620	1,620
Share of post-acquisition reserves, net of dividends received	4,606	3,138	-	-
	6,226	4,758	1,620	1,620

- (a) The associate is accounted for using the equity method in the consolidated financial statements.
- (b) The details of the associate are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020 %	2019 %	
Qube Apps Solutions Sdn. Bhd.	Malaysia	30	30	Providing computer consultancy services, software developers and trading of related products

- (c) The financial statements of the associate are coterminous with that of the financial year of the Group. The most recent available financial statements of the associate are used by the Group in applying the equity method of accounting. The share of results of the associate of the Group for the financial years ended 31 December 2020 and 31 December 2019 are based on audited financial statements.
- (d) The summarised financial information of the associate is as follows:

	2020 RM'000	2019 RM'000
Assets and liabilities		
Non-current assets	5,547	2,562
Current assets	15,609	12,227
Non-current liabilities	(2,550)	(1,364)
Current liabilities	(2,888)	(2,602)
Net assets	15,718	10,823
Results		
Revenue	23,848	21,490
Profit for the financial year	6,395	5,689
Total comprehensive income	6,395	5,689
Cash flows from operating activities	5,845	5,875
Cash flows used in investing activities	(978)	(189)
Cash flows used in financing activities	(1,837)	(1,385)
Net increase in cash and cash equivalents	3,030	4,301

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10. INVESTMENT IN AN ASSOCIATE (CONTINUED)

(e) The reconciliation of net assets of the associate to the carrying amount of the investment in an associate is as follows:

	2020 RM'000	2019 RM'000
Share of net assets of the Group	4,715	3,247
Goodwill	1,511	1,511
Carrying amount in the consolidated statements of financial position	6,226	4,758
Share of results of the Group		
Share of profit of the Group	1,918	1,707
Share of total comprehensive income of the Group	1,918	1,707
Other information		
Dividend received	450	300

11. DEFERRED TAX

The deferred tax assets are made up of the following:

	Group	
	2020 RM'000	2019 RM'000
As at 1 January	9,521	10,582
Recognised in profit or loss (Note 28)	5,428	(1,061)
As at 31 December	14,949	9,521
Presented after appropriate offsetting:		
Deferred tax assets, net	17,273	11,859
Deferred tax liabilities, net	(2,324)	(2,338)
As at 31 December	14,949	9,521

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11. DEFERRED TAX (CONTINUED)

- (a) The components of deferred tax assets and deferred tax liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Leases RM'000	Others RM'000	Total RM'000
As at 1 January 2020	12,240	11,485	23,725
Recognised in profit or loss	4,239	4,723	8,962
As at 31 December 2020, prior to offsetting	16,479	16,208	32,687
Offsetting			(15,414)
As at 31 December 2020			17,273
As at 1 January 2019	8,944	14,725	23,669
Recognised in profit or loss	3,296	(3,240)	56
As at 31 December 2019, prior to offsetting	12,240	11,485	23,725
Offsetting			(11,866)
As at 31 December 2019			11,859

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Total RM'000
As at 1 January 2020	14,204	14,204
Recognised in profit or loss	3,534	3,534
As at 31 December 2020, prior to offsetting	17,738	17,738
Offsetting		(15,414)
As at 31 December 2020		2,324
As at 1 January 2019	13,087	13,087
Recognised in profit or loss	1,117	1,117
As at 31 December 2019, prior to offsetting	14,204	14,204
Offsetting		(11,866)
As at 31 December 2019		2,338

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11. DEFERRED TAX (CONTINUED)

- (b) Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2020	2019
	RM'000	RM'000
Unutilised tax losses		
- Expires by 31 December 2027	3,304	-
- Expires by 31 December 2026	2,633	2,633
- Expires by 31 December 2025	3,293	3,293
Unabsorbed capital allowances	4,599	1,206
	13,829	7,132

The Group has assessed the likelihood of sufficient future profits available to recover the amounts of deductible temporary differences, including taking into consideration the effects of COVID-19 pandemic. Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

12. INVENTORIES

	Group	
	2020	2019
	RM'000	RM'000
At cost		
Finished goods	690,047	494,646

- (a) During the financial year, inventories of the Group recognised as cost of sales amounted to RM1,446,396,000 (2019: RM1,292,866,000).
- (b) The amounts of inventory losses and inventories written off recognised as cost of sales during the financial year are as follows:

	Group	
	2020	2019
	RM'000	RM'000
Inventory losses	16,780	18,338
Inventories written off	7,952	13,729
	24,732	32,067

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13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current asset					
Other receivable					
Amount owing by a subsidiary	(b)	-	-	33,733	-
Less: Impairment loss		-	-	-*	-
		-	-	33,733	-
Current assets					
Trade receivables					
Third parties		2,508	2,523	-	-
Amount owing by a related party		396	1,660	-	-
	(c)	2,904	4,183	-	-
Less: Impairment losses		-*	-*	-	-
		2,904	4,183	-	-
Other receivables					
Other receivables	(d)	2,318	3,373	-	7
Amounts owing by subsidiaries	(e)	-	-	199,138	-
Deposits		64,314	51,667	4	-
		66,632	55,040	199,142	7
Less: Impairment losses		-*	-*	-*	-*
		66,632	55,040	199,142	7
Total current trade and other receivables, excluding prepayments					
		69,536	59,223	199,142	7
Prepayments	(g)	58,218	62,579	59	6
Total current trade and other receivables					
		127,754	121,802	199,201	13
Total trade and other receivables					
		127,754	121,802	232,934	13

* The expected credit loss amount is negligible.

- (a) Trade and other receivables excluding prepayments are classified as financial assets measured at amortised cost.
- (b) Non-current amount owing by a subsidiary represents unsecured advances, which bear interest at 1.7% (2019: Nil) per annum. The advances together with the interest receivable thereon are not repayable within the next twelve (12) months.
- (c) Trade receivables are non-interest bearing and the normal credit terms granted by the Group is 30 days (2019: 30 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (d) In the previous financial year, included in other receivables of the Group and of the Company were amounts owing by related parties of RM23,000 and RM7,000 respectively.
- (e) Current amounts owing by subsidiaries represent unsecured advances, which bear interest at 1.7% (2019: Nil) per annum and repayable within the next twelve (12) months.

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13. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (f) Interest rate profile of the amounts owing by subsidiaries at the end of each reporting period is as follows:

	Company	
	2020	2019
	RM'000	RM'000
Fixed rate	232,500	-

Sensitivity analysis for fixed rate amounts owing by subsidiaries at the end of each reporting period is not presented as fixed rate amounts owing by subsidiaries are not affected by changes in interest rates.

- (g) Included in prepayments of the Group are advance payments to suppliers for purchase of goods of RM50,117,000 (2019: RM56,287,000).
- (h) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses ("ECL").

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires the Directors and management of the Group to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information, including the effects of COVID-19 pandemic.

- (i) The ageing analysis of trade receivables of the Group are as follows:

Group	Gross carrying amount RM'000	Impairment losses RM'000	Balance RM'000
2020			
Current	2,904	-	2,904
Past Due	-	-	-
	2,904	-	2,904
2019			
Current	3,365	-	3,365
Past Due			
1 to 30 days	85	-	85
31 to 60 days	733	-	733
	818	-	818
	4,183	-	4,183

Notes to the Financial Statements

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13. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (j) Impairment for other receivables and amounts owing by subsidiaries as well as deposits are recognised based on the three-stage general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. As at the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probabilities of non-payment by other receivables and amounts owing by subsidiaries are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss.

It requires the Directors and management of the Group and of the Company to exercise significant judgement in determining the probabilities of default by other receivables and amounts owing by subsidiaries, appropriate forward looking information and significant increase in credit risk, including the effects of COVID-19 pandemic.

- (k) No expected credit loss is recognised arising from trade and other receivables as the amounts are negligible.
- (l) As at the end of each reporting period, trade and other receivables of the Group and of the Company are not secured by any collaterals and are not subject to significant risk of concentration except for amounts owing by subsidiaries of RM232,871,000 (2019: Nil) of the Company. The Group did not renegotiate the terms of any trade receivables during the each of the reporting period.
- (m) The currency exposure profiles of trade and other receivables, excluding prepayments are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	68,214	56,713	232,875	7
Brunei Dollar	803	711	-	-
United States Dollar	123	129	-	-
Singapore Dollar	396	1,670	-	-
	69,536	59,223	232,875	7

Sensitivity analysis for foreign currency risk at the end of each reporting period is not presented as changes in exchange rates would not materially affect the profit or loss of the Group.

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14. CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	62,884	71,341	2,497	170
Deposits with licensed banks	28,001	69,330	28,001	13,512
	90,885	140,671	30,498	13,682

- (a) Deposits with licensed banks of the Group and of the Company have maturity period of 7 days (2019: 2 days to 366 days; 2 days to 7 days).
- (b) In the previous financial year, included in cash and bank balances of the Group were amounts of RM30,678,000 and RM8,082,000 held under the Operating Accounts and Debt Service Reserve Accounts (“DSRAs”) respectively in relation to the borrowings of the Group as disclosed in Note 17 to the financial statements. The Group assigned and charged to the Security Agent all its rights, interests, titles and benefits to the Operating Accounts and DSRAs as securities for the repayment of the total secured amounts in respect of revolving credits and term loans amounted to RM187,000,000 and RM400,000,000 respectively.
- (c) The currency exposure profile of the cash and bank balances is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	82,743	130,853	30,498	13,682
United States Dollar	1,321	1,998	-	-
Brunei Dollar	6,591	7,585	-	-
Chinese Yuan	2	2	-	-
Hong Kong Dollar	2	2	-	-
Vietnamese Dong	12	13	-	-
Euro	2	2	-	-
Singapore Dollar	179	178	-	-
Philippines Peso	18	19	-	-
Indian Rupee	15	19	-	-
	90,885	140,671	30,498	13,682

Sensitivity analysis for foreign currency risk at the end of each reporting period is not presented as changes in exchange rates would not materially affect the profit or loss of the Group.

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14. CASH AND BANK BALANCES (CONTINUED)

- (d) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	62,884	71,341	2,497	170
Deposits with licensed banks	28,001	69,330	28,001	13,512
	90,885	140,671	30,498	13,682
Less:				
Deposits with a licensed bank with original maturity of more than three (3) months	-	(104)	-	-
Restricted bank balances	-	(8,082)	-	-
Bank overdraft (Note 17)	(26,112)	(7,109)	-	-
Cash and cash equivalents included in the statements of cash flows	64,773	125,376	30,498	13,682

In the previous financial year, the restricted bank balances represented monies held in DSRAs as disclosed in Note 14(b) to the financial statements, which were restricted in usage and did not form part of cash and cash equivalents.

- (e) Weighted average effective interest rate of deposits with licensed banks of the Group and of the Company as at the end of each reporting period is as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Fixed rate	1.70	2.95	1.70	2.95

Sensitivity analysis for fixed rate instruments at the end of each reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

- (f) No expected credit loss is recognised arising from the cash and bank balances and deposits with licensed banks as the probability of default by these financial institutions is negligible.

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15. SHARE CAPITAL

	Note	Group and Company			
		Number of ordinary shares		Amount	
		2020 '000	2019 '000	2020 RM'000	2019 RM'000
Ordinary shares					
Issued and fully paid					
At beginning of financial year		10	10	1,970	1,970
Issuance of shares	(b)	60,872	-	100	-
		60,882	10	2,070	1,970
Subdivision of 1 existing ordinary share to 100 new ordinary shares	(b)	6,088,200	-	2,070	-
Issuance of shares	(b)	188,400	-	301,440	-
Share issue expenses		-	-	(7,885)	-
At end of financial year		6,276,600	10	295,625	1,970

- (a) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.
- (b) On 23 September 2020, the Company issued and allotted 60,872,000 new ordinary shares in the Company to the shareholders of the Company (except for Mr D.I.Y. Holdings (M) Sdn. Bhd. ("MDHM")) and the shareholders of MDHM and/or their investment holding companies at a total consideration of RM100,000 ("Share Issuance") to facilitate the re-organisation of the shareholding structure whereby the interests in the Company are held directly by the shareholders of MDHM and/or their investment holding companies together with Hyptis Limited. Upon completion of the Share Issuance, the total number of ordinary shares increased from 10,000 to 60,882,000 shares.

Upon completion of the Share Issuance, the Company had carried out a subdivision of 1 existing ordinary share in the Company to 100 new ordinary shares in the Company ("Subdivision") on 23 September 2020. Upon completion of the Subdivision, the total number of ordinary shares in the Company increased to 6,088,200,000 shares.

On 23 October 2020, the Company undertook a public issue of 188,400,000 new ordinary shares ("Public Issue") in conjunction with the initial public offering of the Company at an issue price of RM1.60 per ordinary share.

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16. RESERVES

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-distributable:					
Merger reserve	(a)	(117,450)	(117,450)	-	-
Foreign currency translation reserve	(b)	52	59	-	-
Share options reserve	(c)	1,212	-	1,212	-
		(116,186)	(117,391)	1,212	-
Distributable:					
Retained earnings		697,237	455,895	123,055	173,361
		581,051	338,504	124,267	173,361

- (a) The merger reserve represents the excess of the consideration paid over the share capital of Mr D.I.Y. Management Sdn. Bhd. and MD(B) as at the acquisition dates under the pooling of interest method of accounting as follows:

	Mr D.I.Y. Management		Total RM'000
	Sdn. Bhd. RM'000	MD(B) RM'000	
Consideration paid	13,111	104,842	117,953
Less: Share capital as at acquisition date	(500)	(3)	(503)
Merger reserve	12,611	104,839	117,450

- (b) The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the presentation currency of the Group.
- (c) On 20 November 2019, the Company established an Employees' Share Option Scheme ("ESOS") for the granting of ESOS to eligible Directors and employees of the Group. The ESOS was implemented on 22 October 2020.

The ESOS is administered by the Nomination and Remuneration Committee and governed by the By-Laws of the ESOS.

The salient features of the ESOS are as follows:

- (i) The total number of new ordinary shares in the Company, which may be made available under the ESOS shall not exceed in aggregate 5% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS;
- (ii) The ESOS shall be in force for a period of five (5) years from the effective date and is renewable for a period of up to five (5) years immediately from the expiry of first five (5) years;
- (iii) Subject to the discretion of the Nomination and Remuneration Committee, an employee or a Director of the Group who fulfils the relevant conditions of the By-Laws of the ESOS shall be eligible to participate in the ESOS ("Eligible Person");
- (iv) The number of the options to be offered to an Eligible Person in accordance with the ESOS shall be determined based on, inter alia, the Eligible Person's position, ranking, performance, contribution, seniority, length of service, fulfilment of the relevant eligibility criteria, and/or such other matters as the Nomination and Remuneration Committee deems fit and the offer shall be valid for acceptance by an Eligible Person for a period of thirty (30) days from the date of offer;

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16. RESERVES (CONTINUED)

(c) (continued)

The salient features of the ESOS are as follows: (continued)

- (v) Subject to any adjustments made under the By-Laws of the ESOS and pursuant to the listing requirements of Bursa Malaysia Securities Berhad, the exercise price shall be:
- a. In respect of any offer which is made in conjunction with the listing of the Company, the final price paid by investors for the ordinary shares issued by the Company under its retail offering pursuant to its initial public offering;
 - b. In respect of any offer which is made subsequent to the listing of the Company, as determined by the Nomination and Remuneration Committee and shall be based on the five (5)-day volume weighted average market price of the ordinary shares of the Company immediately preceding the date of the offer, with a discount, if any, provided always that such discount is not more than ten percent (10%), if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities as amended from time to time during the option period; and
- (vi) The aggregate number of ordinary shares in the Company, which a grantee can subscribe under his/her options in a particular year of the ESOS shall at times be subject to a maximum of twenty-five percent (25%) of the total number of ordinary shares in the Company comprising the options held by such grantee. Any remaining unexercised options for any particular year will be accumulated in the following year.

Details of the ESOS options granted are as follows:

Exercise price RM	Date of offer	Granted	Vesting conditions	Contractual life of options
1.60	23.10.2020	46,700,000	<ul style="list-style-type: none"> - The options divided into 4 tranches, which separately vest on 23 October 2021, 23 October 2022, 23 October 2023 and 23 October 2024. - Exercisable options cap at 25% of options offered for each vesting date. 	5 years

Fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions used are as follows:

	Granted on 23 October 2020
Share price (RM)	1.60
Exercise price (RM)	1.60
Fair value of share options (RM)	
- First tranche, which vests on 23 October 2021	0.35
- Second tranche, which vests on 23 October 2022	0.30
- Third tranche, which vests on 23 October 2023	0.24
- Fourth tranche, which vests on 23 October 2024	0.17
Risk free rate of interest (%)	3.96
Expected dividend yield (%)	1.31
Expected volatility (%)	23.42

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16. RESERVES (CONTINUED)

(c) (continued)

On 29 March 2021, the Company offered and granted 390,000 units of ESOS options under the existing ESOS scheme to an eligible employee of the Group with an exercise price of RM3.47.

Expenses arising from the share options granted are as follows:

	Group RM'000	Company RM'000
31 December 2020		
Recognition of share option expenses	1,212	1,212
Less: Capitalised as investments in subsidiaries (Note 9)	-	(1,212)
Share option expenses	1,212	-

17. BORROWINGS

	Note	Group	
		2020 RM'000	2019 RM'000
Non-current liabilities			
Secured			
Revolving credits		-	187,000
Hire purchase creditors		2,349	2,141
Term loans		18,412	422,400
		20,761	611,541
Current liabilities			
Secured			
Bank overdraft		26,112	7,109
Revolving credits		211,666	-
Hire purchase creditors		500	433
Term loans		4,545	4,272
		242,823	11,814
Total borrowings			
Bank overdraft	14	26,112	7,109
Revolving credits		211,666	187,000
Hire purchase creditors	18	2,849	2,574
Term loans	19	22,957	426,672
		263,584	623,355

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) During the financial year, the bank overdraft, revolving credits and term loans of the Group are secured as follows:
- (i) Legal charges over certain freehold land and buildings of the Group as disclosed in Note 6 to the financial statements;
 - (ii) Assignment and charge over rental proceeds of certain properties of the Group; and
 - (iii) Corporate guarantee by the Company and its subsidiaries.

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17. BORROWINGS (CONTINUED)

- (c) In the previous financial year, the bank overdraft, revolving credits and term loans of the Group were secured as follows:
- (i) Legal charges over certain freehold land and buildings of the Group as disclosed in Note 6 to the financial statements;
 - (ii) Assignment and charge over all shares in certain subsidiaries of the Company and rental proceeds of certain properties of the Group;
 - (iii) Assignment and charge over Operating Accounts and DSRAs of the Group as disclosed in Note 14(b) to the financial statements;
 - (iv) Personal guarantee by a Director of the Company; and
 - (v) Corporate guarantee by the Company and its subsidiaries.
- (d) Borrowings of the Group are denominated in Ringgit Malaysia.
- (e) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2020						
Fixed rates						
Hire purchase creditors	5.64	500	488	1,294	567	2,849
Floating rates						
Bank overdraft	4.35	26,112	-	-	-	26,112
Revolving credits	3.77	211,666	-	-	-	211,666
Term loans	3.58	4,545	4,785	6,904	6,723	22,957
31 December 2019						
Fixed rates						
Hire purchase creditors	5.56	433	446	1,195	500	2,574
Floating rates						
Bank overdraft	5.60	7,109	-	-	-	7,109
Revolving credits	5.08	-	187,000	-	-	187,000
Term loans	5.09	4,272	404,508	10,746	7,146	426,672

Notes to the Financial Statements

31 December 2020

17. BORROWINGS (CONTINUED)

- (f) Sensitivity analysis of interest rate for the floating rate instruments at the end of each reporting period, assuming all other variables remain constant, is as follows:

	Group	
	2020 RM'000	2019 RM'000
Effects of 50 basis point changes to profit after tax		
Floating rate instruments	991	2,359

Sensitivity analysis for fixed rate borrowings as at the end of each reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

- (g) The table below summarises the maturity profile of the borrowings of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one year	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2020				
Bank overdraft	26,112	-	-	26,112
Revolving credits	211,666	-	-	211,666
Hire purchase creditors	631	2,086	647	3,364
Term loans	5,532	13,698	7,487	26,717
	243,941	15,784	8,134	267,859
31 December 2019				
Bank overdraft	7,109	-	-	7,109
Revolving credits	9,506	196,992	-	206,498
Hire purchase creditors	565	1,916	531	3,012
Term loans	25,871	421,328	8,146	455,345
	43,051	620,236	8,677	671,964

- (h) Hire purchase creditors that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value, are as follows:

Group	2020		2019	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Hire purchase creditors	2,849	2,783	2,574	2,518

Fair values of the hire purchase creditors are estimated by discounting future contracted cash flows at the current market interest rate available to the Group for similar financial instruments.

Fair value of the hire purchase creditors of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

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17. BORROWINGS (CONTINUED)

- (i) Reconciliation of liabilities arising from financing activities

The table below details changes in borrowings of the Group arising from financing activities, including both cash and non-cash changes. Borrowings arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows of the Group as cash flows from financing activities.

Group	Hire purchase creditors RM'000	Revolving credits RM'000	Term loans RM'000
As at 1 January 2020	2,574	187,000	426,672
Cash flows	(395)	24,666	(403,715)
Non-cash flows:			
Purchase of property, plant and equipment	670	-	-
As at 31 December 2020	2,849	211,666	22,957
As at 1 January 2019	2,668	37,600	36,080
Cash flows	(701)	149,400	390,592
Non-cash flows:			
Purchase of property, plant and equipment	607	-	-
As at 31 December 2019	2,574	187,000	426,672

18. HIRE PURCHASE CREDITORS

	Group	
	2020 RM'000	2019 RM'000
Minimum hire-purchase payment:		
- not later than one (1) year	631	565
- later than one (1) year and not later than five (5) years	2,086	1,916
- later than five (5) years	647	531
	3,364	3,012
Less: Future interest charges	(515)	(438)
Present value of hire purchase creditors	2,849	2,574
Repayable as follows:		
Current liabilities	500	433
Non-current liabilities	2,349	2,141
	2,849	2,574

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19. TERM LOANS

	Group	
	2020	2019
	RM'000	RM'000
Secured		
Term loan I is repayable by 180 equal monthly instalments of RM38,635 each commencing September 2015	3,816	3,903
Term loan II is repayable by 180 equal monthly instalments of RM77,269 each commencing December 2015	7,813	7,982
Term loan III is repayable by 60 equal monthly instalments of RM191,288.67 each commencing January 2019	6,293	8,215
Term loan IV is repayable by 60 equal monthly instalments of RM153,030.93 each commencing January 2019	5,035	6,572
Term loan V is repayable by March 2021	-	400,000
	22,957	426,672

During the financial year, term loan V of RM400,000,000 was repaid via the proceeds from the Public Issue and the use of internally generated funds of the Group.

20. PROVISION FOR RESTORATION COSTS

	Group	
	2020	2019
	RM'000	RM'000
Non-current		
Provision for restoration costs	16,008	14,218
Current		
Provision for restoration costs	536	510
	16,544	14,728

(a) Provision for restoration costs comprises estimates of reinstatement costs for retail outlets upon termination of tenancy.

(b) A reconciliation of the provision for restoration costs are as follows:

	Group	
	2020	2019
	RM'000	RM'000
As at 1 January	14,728	13,904
Recognised in right-of-use assets	3,187	3,481
Recognised in profit or loss	624	717
Reversal of provision for restoration costs	(1,995)	(3,374)
As at 31 December	16,544	14,728

(c) The Group estimates provision for restoration costs based on historical costs incurred per square feet of rent area. The estimated provision for restoration costs are reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

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21. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables					
Third parties	(b)	37,618	23,873	-	-
Other payables and accruals					
Third parties		31,312	18,922	7,051	194
Amount owing to an associate	(c)	2,408	1,269	-	-
Deposits		987	267	-	-
Accruals		47,600	37,467	106	42
Financial guarantee contracts	(d)	-	-	470	222
		82,307	57,925	7,627	458
		119,925	81,798	7,627	458

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranged from 14 to 60 days (2019: 14 to 60 days) from the date of invoice.
- (c) The amount owing to an associate is non-trade in nature, unsecured, interest free and repayable within the next twelve (12) months.
- (d) Financial guarantee contracts issued by the Company are those contracts that require payments to be made to reimburse the holders for losses they incur because the specified debtors fail to make payments when due in accordance with the terms of the debt instruments.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

The fair value of financial guarantees is classified as Level 3 in the fair value hierarchy and is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. The movement in financial guarantee contracts consists of fair value changes of financial guarantee contracts recognised in profit or loss amounting to a fair value loss of RM248,000 (2019: fair value gain of RM334,000).

The nominal amounts of financial guarantees provided by the Company are as follows:

	Company	
	2020 RM'000	2019 RM'000
Bank facilities granted to subsidiaries	31,328	14,788

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiaries in respect of the guaranteed bank facilities.

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21. TRADE AND OTHER PAYABLES (CONTINUED)

(e) The currency exposure profiles of trade and other payables are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	119,687	81,650	7,627	458
United States Dollar	-	-	-	-
Brunei Dollar	227	148	-	-
Singapore Dollar	11	-	-	-
	119,925	81,798	7,627	458

Sensitivity analysis for foreign currency risk at the end of each reporting period is not presented as changes in exchange rates would not materially affect the profit or loss of the Group.

(f) Maturity profile of trade and other payables of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable within one (1) year.

22. CAPITAL COMMITMENTS

	Group	
	2020 RM'000	2019 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
- Approved but not contracted for	108,150	78,800
- Contracted but not provided for	50,468	40,320
	158,618	119,120

23. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contracts with customers				
Sales of goods	2,559,315	2,275,587	-	-
Other revenue				
Dividend income	-	-	58,092	632,310

(a) Revenue from sales of goods is recognised at a point in time when control of the goods have been transferred to the customer, which coincides with the delivery of goods and acceptance by customers.

(b) Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 5 to the financial statements, which has been presented based on geographical location from which the sale transactions originated. No revenue was recognised over time.

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Financial Statements

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24. OTHER OPERATING EXPENSES

Included in other operating expenses of the Group are as follows:

	Group	
	2020	2019
	RM'000	RM'000
Amortisation of intangible assets	1,192	917
Depreciation of:		
- property, plant and equipment	51,849	41,523
- right-of-use assets	119,142	96,201
Employee benefits	245,205	199,044
Property, plant and equipment written off	1,087	1,939
Utilities expenses	41,505	36,446

25. FINANCE COSTS

	Group	
	2020	2019
	RM'000	RM'000
Interest expense on:		
- bank overdraft	735	157
- revolving credits	6,469	8,261
- hire purchase creditors	135	146
- term loans	15,468	17,952
- lease liabilities	45,520	37,373
Unwinding of discount on provision for restoration costs	624	717
	68,951	64,606

26. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
After charging:				
Auditors' remuneration				
Statutory audit				
- BDO PLT	434	349	60	18
- Member firm of BDO PLT	24	23	-	-
Non-statutory audit				
- BDO PLT*	1,135	1,342	798	1,021
- Affiliate and member firm of BDO PLT^	234	219	10	43
Fair value of financial guarantee contracts	-	-	248	-
Listing expenses	11,585	2,843	11,585	2,843
Realised loss on foreign exchange	257	100	4	-
Unrealised loss on foreign exchange	-	65	-	-

Notes to the Financial Statements

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26. PROFIT BEFORE TAX (CONTINUED)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at: (continued)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
And crediting:				
Interest income	3,167	3,120	1,524	784
Gain on disposal of property, plant and equipment	370	306	-	-
Gain on reassessments and modifications of leases	67	473	-	-
Realised gain on foreign exchange	321	334	-	-
Rental income	21	17	-	-
Fair value of financial guarantee contracts	-	-	-	334

* Included non-statutory audit fees relating to the initial public offering and listing of the Company of RM1,065,000 (2019: RM970,000) for the Group and RM758,000 (2019: RM970,000) for the Company respectively.

^ Included non-statutory audit fees relating to the initial public offering and listing of the Company of RM16,000 (2019: Nil) for the Group.

27. EMPLOYEE BENEFITS

The total amounts of employee benefits included in administrative expenses and other operating expenses during the financial year are as follows:

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages, salaries and bonuses		246,908	194,336	346	276
Contributions to defined contribution plan		22,734	19,335	-	-
Share options under ESOS	16(c)	1,212	-	-	-
Other employee benefits		20,820	13,793	65	29
		291,674	227,464	411	305

Included in employee benefits of the Group and of the Company are Directors' remuneration as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of the Company:				
Fees	346	276	346	276
Salaries and bonuses	2,303	2,116	-	-
Contributions to defined contribution plan	346	314	-	-
Share options under ESOS	101	-	-	-
Other employee benefits	254	218	65	29
	3,350	2,924	411	305

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Financial Statements

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27. EMPLOYEE BENEFITS (CONTINUED)

Included in employee benefits of the Group and of the Company are Directors' remuneration as follows: (continued)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of subsidiaries:				
Fees	47	47	-	-
Salaries and bonuses	753	736	-	-
Contributions to defined contribution plan	91	89	-	-
Share options under ESOS	43	-	-	-
Other employee benefits	132	148	-	-
	1,066	1,020	-	-
	4,416	3,944	411	305

The estimated money value of benefits-in-kind for the Directors of the Company and the Directors of subsidiaries are RM18,000 and RM11,000 (2019: RM Nil; RM15,000) respectively.

28. INCOME TAX EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax expense based on profit for the financial year:				
- current year	127,393	121,390	351	188
- over provision in prior years	(1,451)	(2,286)	-	-
	125,942	119,104	351	188
Deferred tax (Note 11)				
- relating to origination and reversal of temporary differences	(6,101)	(2,238)	-	-
- under provision in prior years	673	3,299	-	-
	(5,428)	1,061	-	-
	120,514	120,165	351	188

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated taxable profits for the fiscal years.

(b) Tax expense for the taxation authorities in Brunei is calculated at the rate prevailing in that jurisdiction.

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28. INCOME TAX EXPENSE (CONTINUED)

- (c) The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax	457,675	437,733	45,864	625,498
Tax at the Malaysian statutory tax rate of 24%	109,842	105,056	11,007	150,120
Tax effects in respect of:				
Non-deductible expenses	10,600	13,602	3,286	1,903
Non-taxable income	(306)	(981)	(13,942)	(151,835)
Different tax rate in foreign jurisdiction	(451)	(353)	-	-
Deferred tax assets not recognised	1,607	1,828	-	-
	121,292	119,152	351	188
Over provision of tax expense in prior years	(1,451)	(2,286)	-	-
Under provision of deferred tax in prior years	673	3,299	-	-
	120,514	120,165	351	188

- (d) Tax on each component of other comprehensive income is as follows:

	Before tax RM'000	Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss			
31 December 2020			
Foreign currency translation reserves	(7)	-	(7)
31 December 2019			
Foreign currency translation reserves	17	-	17

29. EARNINGS PER SHARE

- (a) Basic

Basic earnings per ordinary share for the financial year ended are calculated by dividing earnings for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2020	2019
Profit for the financial year attributable to the owners of the Company (RM'000)	337,161	317,568
Weighted average number of ordinary shares in issue ('000) ⁽ⁱ⁾	1,683,056	1,000
Basic earnings per ordinary share (sen)	20.03	31,757

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29. EARNINGS PER SHARE (CONTINUED)

(b) Diluted

Diluted earnings per ordinary share for the financial year ended are calculated by dividing earnings for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2020	2019
Profit for the financial year attributable to the owners of the Company (RM'000)	337,161	317,568
Weighted average number of ordinary shares in issue ('000) ⁽ⁱ⁾	1,683,056	1,000
Effect of dilution of ESOS share options ('000)	3,126	-
Adjusted weighted average number of ordinary shares for diluted earnings per ordinary share	1,686,182	1,000
Diluted earnings per ordinary share (sen)	20.00	31,757

- (i) The weighted average number of ordinary shares in issue as at 31 December 2020 and 31 December 2019 have been adjusted retrospectively to reflect the Subdivision, which was completed on 23 September 2020 as disclosed in Note 15 to the financial statements.

30. DIVIDENDS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interim single tier dividend of:				
RM23,000.00 per ordinary share	-	230,000	-	230,000
RM27,000.00 per ordinary share	-	270,000	-	270,000
RM1,673.00 per ordinary share*	-	1,673	-	-
RM5,000.00 per ordinary share	50,000	-	50,000	-
RM0.0073 per ordinary share	45,819	-	45,819	-
	95,819	501,673	95,819	500,000

* Distributed to former shareholders of MD(B).

On 17 February 2021, the Company declared a third interim single tier dividend of RM0.0070 per ordinary share amounted to RM43,936,200 in respect of the financial year ended 31 December 2020, which is payable on 8 April 2021. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

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31. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

The Company has controlling related party relationship with its subsidiaries and its holding companies.

Related parties of the Group include:

- (i) Direct subsidiaries and an associate as disclosed in Notes 9 and 10 to the financial statements respectively;
 - (ii) Companies in which certain Directors have financial interests; and
 - (iii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.
- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Associate:				
Purchases of equipment and computer software	6,020	5,147	-	-
Purchases of goods	3,384	2,959	-	-
Companies in which certain Directors have financial interests:				
Sales of goods	23,905	15,886	-	-
Management fees received	3,950	-	-	-
Reimbursable expenses paid on behalf	217	3,478	10	-

The related party transactions described above were carried out in the ordinary course of business and have been established under negotiated and mutually agreed terms.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director of the Group and of the Company.

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Financial Statements

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31. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Compensation of key management personnel (continued)

The remuneration of the Directors and other members of key management during the financial year are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors' fees	393	323	346	276
Salaries and bonuses	4,596	4,178	-	-
Contributions to defined contribution plan	623	563	-	-
Share options under ESOS	218	-	-	-
Other benefits	582	570	65	29
Estimated money value of benefits-in-kind	46	34	-	-
	6,458	5,668	411	305

32. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial years ended 31 December 2020 and 31 December 2019.

The Group monitors capital utilisation on the basis of gearing ratio and net gearing ratio. Gearing ratio represents total borrowings divided by total capital whereas net gearing ratio represents total borrowings less cash and bank balances divided by total capital. Total capital represents equity attributable to the owners of the Company. The gearing ratio and net gearing ratio as at 31 December 2020 and 31 December 2019 are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Total borrowings	263,584	623,355	-	-
Less: Cash and bank balances	(90,885)	(140,671)	(30,498)	(13,682)
	172,699	482,684	(30,498)	(13,682)
Equity attributable to the owners of the Company	876,676	340,474	419,892	175,331
Gearing ratio (%)	30%	183%	*	*
Net gearing ratio (%)	20%	142%	*	*

* The gearing ratio and net gearing ratio for the Company are not presented as the Company does not have borrowings as at the end of each reporting period.

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32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Capital management (continued)

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 December 2020.

The Group and the Company are not subject to any other externally imposed capital requirements.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from liquidity and cash flow risk, interest rate risk, credit risk and foreign currency risk.

The Directors of the Group review and agree policies and procedures for the management of these risks, which are executed by the management of the Group. It is, and has been the policy of the Group, throughout the current and previous financial year that no derivatives shall be undertaken.

The following sections provide details regarding the exposure of the Group to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group is actively managing its operating cash flows to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 8, 17 and 21 to the financial statements.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates. The exposure of the Group to interest rates risk arises primarily from their floating interest rate borrowings. The Group does not use derivative financial instruments to hedge this risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 13, 14 and 17 to the financial statements.

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Financial Statements

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32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management (continued)

(iii) Credit risk

Credit risk refers to the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Group.

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counterparty fails to perform as contracted. It is the policy of the Group to only deal with creditworthy counterparties. The exposure and the creditworthiness of the counterparties of the Group are continuously monitored to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade and other receivables. The trading terms of the Group with their trade receivables are mainly for a period of 30 days. The Group seeks to maintain strict control over its outstanding receivables including deposits to minimise credit risk. In addition, receivable balances are monitored on an ongoing basis to mitigate the exposure of the Group to bad debts.

At the end of each reporting period, the maximum exposure to credit risk of the Group is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The credit risk concentration profile of the trade and other receivables has been disclosed in Note 13 to the financial statements.

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rate.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities. Exposure in foreign currency is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The foreign currency profile and sensitivity analysis have been disclosed in Notes 13, 14 and 21 to the financial statements.

33. ADOPTION OF MFRS AND AMENDMENTS TO MFRS**33.1 New MFRS adopted during the financial year**

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to <i>References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendment to MFRS 16 <i>Covid-19-Related Rent Concessions</i>	1 June 2020 (early adopted)
Amendments to MFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020 (effective immediately)

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33. ADOPTION OF MFRS AND AMENDMENTS TO MFRS (CONTINUED)

33.1 New MFRS adopted during the financial year (continued)

The Group and the Company have early adopted Amendment to MFRS 16 and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and in similar circumstances. Consequently, the Group and the Company do not recognise changes in these lease payments as lease modifications and instead, recognise these as variable lease payments in profit or loss. The effects of early adoption are disclosed in Note 8(c) to the financial statements.

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and the Company.

33.2 New MFRS that have been issued, but only effective for annual periods beginning on or after 1 January 2021

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) Significant events during the financial year and subsequent to the end of the reporting period

(i) Initial Public Offering ("IPO") in conjunction with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad (the "Listing")

On 6 October 2020, the Company issued a prospectus in connection with the IPO and the Listing. The IPO involves the offering of 941,490,000 ordinary shares in the Company in conjunction with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad comprising an offer for sale of up to 753,090,000 existing ordinary shares in the Company and a public issue of 188,400,000 new ordinary shares in the Company. The IPO and the Listing were completed on 26 October 2020.

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34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTINUED)

(a) Significant events during the financial year and subsequent to the end of the reporting period (continued)

(ii) The Coronavirus disease 2019 “COVID-19” pandemic

The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order (“MCO”) on 18 March 2020 and has subsequently entered into various phases of the MCO until 14 April 2021.

The COVID-19 pandemic has significantly affected the business operations of the Group, including a temporary halt on majority of its retail outlets’ operations during the initial MCO period from March 2020 to May 2020 in compliance with the directive from the Government of Malaysia. Nevertheless, the Group has since resumed its business operations, including the operations of its retail outlets during the Conditional MCO and Recovery MCO with relatively encouraging sales performance. The Group was also allowed to resume its business operations during the MCO and Conditional MCO period that was re-introduced on 11 January 2021. Notwithstanding that, the Group had implemented various procedures in its business conduct to reduce the risks of spread on COVID-19 and safeguard its employees and customers. Further, there were no significant supply chain, logistics and distribution disruptions during the financial year due to the COVID-19 pandemic.

Based on the assessment of the Group, there is no significant impact arising from the COVID-19 pandemic in respect of the judgements and assumptions used in the preparation of the financial statements for the financial year ended 31 December 2020. The Group will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Group for the financial year ending 31 December 2021, such as lease modifications, expected credit losses of financial assets, write down of inventories to net realisable values and impairment assessments of assets (property, plant and equipment, right-of-use assets and investments in subsidiaries and associate).

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group has therefore considered the impact of the COVID-19 pandemic across its business operations and took the necessary precautions and provisions, where necessary. The Group will also continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

(iii) Acquisition of leasehold industrial land by Mr D.I.Y. Management Sdn. Bhd.

On 14 September 2020, Mr D.I.Y. Management Sdn. Bhd. entered into a Sale and Purchase Agreement to acquire a leasehold industrial land for a purchase consideration of RM12,630,714. A total cash deposit of RM1,263,071 was paid and the balance of the purchase consideration shall be paid upon completion of the acquisition. The acquisition of the leasehold industrial land was completed on 15 January 2021.

(iv) Declaration of dividend

On 17 February 2021, the Company declared a third interim single tier dividend of RM0.0070 per ordinary share amounted to RM43,936,200 in respect of the financial year ended 31 December 2020, which is payable on 8 April 2021. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2021.

(v) Subscription for additional ordinary shares

On 3 March 2021, the Company subscribed for additional 999,998 shares in the subsidiaries of the Company, Mr. Dollar (Northern) Sdn. Bhd., Mr. Dollar (Southern) Sdn. Bhd., Mr. Dollar (East Coast) Sdn. Bhd. and Mr. Dollar (EM) Sdn. Bhd. at RM1 per ordinary share in each of the companies respectively.

(vi) ESOS options offered and granted

On 29 March 2021, the Company offered and granted 390,000 units of ESOS options under the existing ESOS scheme to an eligible employee of the Group with an exercise price of RM3.47.

List of Properties

No.	Address	Description / Existing use	Approx. Land Area / Built-up area (square feet)	Date of Acquisition	Tenure / Date of Expiry of Lease	Net Book Value (RM'm)	Revaluation	Age of building
1.	HS(M) 20699 - 20700 PT 56540 - 56541 Town of Ceras, Batu 12, Jalan Sungai Besi-Cheras, District of Hulu Langat, State of Selangor. / Lot 1851A and 1851B, Jln KP B 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.	Warehouse and office comprising two adjoining units of individually-designed one and a half storey semi-detached factories	85,000 / 66,000	12.08.2010	Freehold	11.0	15.11.2018	8 years
2.	HSM 22403 – HSM 22404, PT 59992 – PT59993, Town of Cheras, Batu 12, Jalan Sungai Besi-Cheras, District of Hulu Langat, State of Selangor. / Lot. 1907, Jalan KP B 11, Kawasan Perindustrian Kg. Baru Balakong, 43300 Seri Kembangan, Selangor.	Warehouse and office comprising two adjoining units of semi-detached buildings with basement parking, four storeys of office building and four storeys of the back area allocated for warehousing use	74,000 / 211,000	27.02.2015	Freehold	37.7	30.07.2020	< 1 year
3.	HSM 22488 – HSM 22489, PT 60162 – PT 60163, Mukim of Ceras, Batu 13, Jalan Cheras, District of Hulu Langat, State of Selangor. / Lot 2279, Jalan KP B 12B, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.	Vacant land with earthworks completed	260,000 / N/A	30.08.2018 (Plot 1) & 15.11.2018 (Plot 2)	Freehold	42.6	09.02.2018	N/A
4.	Geran Mukim 391, Lot 1836, Mukim Ceras, Daerah Hulu Langat Selangor. / Lot 1836, Jalan KP B 6, Kawasan Perindustrian Balakong, Kg Baru Balakong, 43300 Seri Kembangan, Selangor.	Industrial land with double story factory erected	80,300 / 33,180	05.08.2020	Freehold	18.5	N/A	9 years

List of
Properties

No.	Address	Description / Existing use	Approx. Land Area / Built-up area (square feet)	Date of Acquisition	Tenure / Date of Expiry of Lease	Net Book Value (RM'm)	Revaluation	Age of building
5.	HS (D) 172069, PT 59504, Pekan Cheras, Daerah Ulu Langat, Negeri Selangor.	Industrial land	85,340	14.09.2020	Leasehold / 11.09.2114	12.6	N/A	N/A
6.	Geran 252099, Lot 4285, Pekan Cheras, Daerah Ulu Langat, Negeri Selangor. No. 29, Jalan Kesuma, Taman Bukit Belimbing, 43300 Seri Kembangan, Selangor.	Double storey terrace house	1,076	15.09.2012	Freehold	0.3	16.1.2021	12 years
7.	PN 36695, Lot 56249, Mukim and District Kuala Lumpur, Wilayah Persekutuan KL. / No. 32, Jalan Sri Permaisuri 9, Bandar Sri Permaisuri, Cheras, 56000 Kuala Lumpur.	Three storey shop office	1,539	08.12.2015	Leasehold	2.5	N/A	16 years
8.	PN 36696, Lot 56250, Mukim Kuala Lumpur, District Kuala Lumpur, Wilayah Persekutuan KL. / No. 34, Jalan Sri Permaisuri 9, Bandar Sri Permaisuri, Cheras, 56000 Kuala Lumpur.	Three storey shop office	1,539	08.12.2015	Leasehold	2.5	N/A	16 years
9.	PN 36697, Lot 56251, Mukim and District Kuala Lumpur, Wilayah Persekutuan KL. / No. 36, Jalan Sri Permaisuri 9, Bandar Sri Permaisuri, Cheras, 56000 Kuala Lumpur.	Three storey shop office	1,539	08.12.2015	Leasehold	2.5	N/A	16 years

Analysis of Shareholdings

As at 31 March 2021

Total number of issued shares : 6,276,600,000

Class of shares : Ordinary Shares

Voting Rights : One (1) vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS (as per Records of Depositors as at 31 March 2021)

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	58	0.71	912	*
100 – 1,000	3,938	48.43	2,248,546	0.04
1,001 – 10,000	3,122	38.39	12,019,561	0.19
10,001 – 100,000	608	7.48	20,038,100	0.32
100,001 to less than 5% of issued shares	403	4.95	2,137,689,781	34.06
5% and above of issued shares	3	0.04	4,104,603,100	65.39
TOTAL	8,132	100	6,276,600,000	100

Notes:

* Negligible

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS (as per Register of Substantial Shareholders as at 31 March 2021)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Bee Family Limited	3,202,225,000	51.02	NIL	NIL
Hyptis Limited	959,873,200	15.29	NIL	NIL
Platinum Alphabet Sdn. Bhd.	433,842,400	6.91	NIL	NIL
Yeh Family (PTC) Ltd.	NIL	NIL	3,202,225,000 ⁽¹⁾	51.02
WEI Future Capital Ltd.	NIL	NIL	3,202,225,000 ⁽¹⁾	51.02
Tan Yu Yeh	590,000	0.01	3,202,225,000 ⁽²⁾	51.02
Tan Yu Wei	NIL	NIL	3,202,225,000 ⁽³⁾	51.02
Creador II, LLC	NIL	NIL	959,873,200 ⁽⁴⁾	15.29
Creador III L.P.	NIL	NIL	959,873,200 ⁽⁴⁾	15.29
Gan Choon Leng	100,000	*	433,842,400 ⁽⁵⁾	6.91
Tan Gaik Hoon	450,000	0.01	433,842,400 ⁽⁵⁾	6.91

Notes:

⁽¹⁾ Deemed interested by virtue of its interest in Bee Family Limited, applying Section 8(4) of the Act.

⁽²⁾ Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in Yeh Family (PTC) Ltd., applying Section 8(4) of the Act.

⁽³⁾ Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in WEI Future Capital Ltd., applying Section 8(4) of the Act.

⁽⁴⁾ Deemed interested by virtue of its interest in Hyptis Limited, applying Section 8(4) of the Act.

⁽⁵⁾ Deemed interested by virtue of his/her interest in Platinum Alphabet Sdn. Bhd., applying Section 8(4) of the Act.

* Negligible

Analysis of Shareholdings

As at 31 March 2021

DIRECTORS' SHAREHOLDINGS (as per Register of Directors' Shareholdings as at 31 March 2021)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Azlam Shah Bin Alias	500,000	0.01	NIL	NIL
Tan Yu Yeh	590,000	0.01	3,202,225,000 ⁽¹⁾	51.02
Ong Chu Jin Adrian	43,742,106	0.70	NIL	NIL
Brahmal A/L Vasudevan	NIL	NIL	719,300 ⁽²⁾	0.01
Ng Ing Peng	200,000	*	NIL	NIL
Leng Choo Yin	300,000	*	100,000 ⁽³⁾	*
Tan Yu Wei	NIL	NIL	3,202,225,000 ⁽⁴⁾	51.02
Soo Sze Yang	NIL	NIL	NIL	NIL

Notes:

- ⁽¹⁾ Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in Yeh Family (PTC) Ltd., applying Section 8(4) of the Act.
- ⁽²⁾ Deemed interested by virtue of his interest in Credor Sdn. Bhd., applying Section 8(4) of the Act.
- ⁽³⁾ Deemed interested by virtue of the shares held by her spouse, applying Section 59(1)(c) of the Act.
- ⁽⁴⁾ Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in WEI Future Capital Ltd., applying Section 8(4) of the Act.
- * Negligible

DIRECTORS' INTEREST IN RELATED CORPORATIONS AS AT 31 MARCH 2021

Yeh Family (PTC) Ltd. – ultimate holding company

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tan Yu Yeh	1,000	100	NIL	NIL

Bee Family Limited – holding company

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tan Yu Yeh	NIL	NIL	54,237 ⁽¹⁾	54.24
Tan Yu Wei	NIL	NIL	32,823 ⁽²⁾	32.82

Mr D.I.Y. Management Sdn. Bhd. – subsidiary company ⁽³⁾

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tan Yu Yeh	446,000	4.46	NIL	NIL
Tan Yu Wei	29,000	0.29	NIL	NIL

Notes:

- ⁽¹⁾ Deemed interested by virtue of his shareholdings in Yeh Family (PTC) Ltd., applying Section 8(4) of the Act.
- ⁽²⁾ Deemed interested by virtue of his shareholdings in WEI Future Capital Ltd., applying Section 8(4) of the Act.
- ⁽³⁾ Mr D.I.Y. Management Sdn. Bhd. ("MDM") is a 95% owned subsidiary of the Company and the remaining 5% equity interests is held by individual shareholders (including Tan Yu Yeh and Tan Yu Wei), all of whom have waived all the present and future rights, title, interest in and to all dividends declared, distributed or paid by MDM.

DIRECTORS' INTEREST IN OPTIONS OVER ORDINARY SHARES AS AT 31 MARCH 2021

	No. of Options Granted
Tan Yu Yeh	1,650,000
Ong Chu Jin Adrian	830,000
Tan Yu Wei	1,410,000

Analysis of Shareholdings

As at 31 March 2021

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 MARCH 2021

No.	Name of Shareholders	No. of Shares	%
1.	Citigroup Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account For Bee Family Limited (UBS)</i>	3,202,225,000	51.02
2.	CIMB Group Nominees (Asing) Sdn. Bhd. <i>C II For Hyptis Limited</i>	468,535,700	7.46
3.	Platinum Alphabet Sdn. Bhd.	433,842,400	6.91
4.	RHB Capital Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account For Hyptis Limited (Pledged)</i>	311,137,500	4.96
5.	Tan Yew Teik	243,078,098	3.87
6.	RHB Capital Nominees (Asing) Sdn. Bhd. <i>Pledged Securities Account For Hyptis Limited (Neg Pledge)</i>	180,200,000	2.87
7.	Chong Swee Lee	107,985,543	1.72
8.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>CIMB For Tan Yew Hock (PB)</i>	104,305,543	1.66
9.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd <i>Exempt AN For CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)</i>	79,955,843	1.27
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	62,112,400	0.99
11.	Tan Lee Lee	55,242,720	0.88
12.	Tan Lee Ling	54,792,720	0.87
13.	HSBC Nominees (Asing) Sdn. Bhd. <i>Pictet And Cie (Europe) For Pictet-Asian Equities Ex Japan</i>	39,019,400	0.62
14.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN For AIA Bhd.</i>	38,031,200	0.61
15.	HSBC Nominees (Asing) Sdn. Bhd. <i>Morgan Stanley & Co. International PLC (Firm A/C)</i>	29,656,210	0.47
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Aberdeen)</i>	25,303,800	0.40
17.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Private Wealth Management For Ong Chu Jin Adrian (PW-M01218)</i>	23,742,106	0.38
18.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PAMB For Prulink Equity Fund</i>	22,835,300	0.36
19.	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PBTB For Takafulink Dana Ekuiti</i>	22,157,200	0.35
20.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)</i>	19,778,000	0.32
21.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad For Hong Leong Value Fund</i>	19,570,000	0.31
22.	Maybank Investment Bank Berhad <i>IVT (10)</i>	16,800,000	0.27
23.	Amanahraya Trustees Berhad <i>Public Ittikal Sequel Fund</i>	16,527,100	0.26
24.	Cartaban Nominees (Asing) Sdn. Bhd. <i>GIC Private Limited For Government of Singapore (C)</i>	15,401,900	0.25
25.	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA For JPMorgan Asean Fund (BK Eastasia TST)</i>	14,945,700	0.24
26.	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMBL SA For JPMorgan Funds</i>	14,609,100	0.23
27.	Citigroup Nominees (Asing) Sdn. Bhd. <i>UBS AG</i>	14,548,800	0.23
28.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>MTrustee Berhad For Principal Dali Equity Growth Fund (UT-CIMB-DALI) (419455)</i>	13,449,100	0.21
29.	HSBC Nominees (Asing) Sdn. Bhd. <i>HSBC BK PLC For Asia Ex Japan Equity Smaller Companies (LXG HGIF)</i>	12,942,500	0.21
30.	Khoo Kwoy Kock	12,350,127	0.20

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 10th Annual General Meeting (“AGM”) of MR D.I.Y. GROUP (M) BERHAD will be conducted on a fully virtual basis from the Broadcast Venue at Lot 1907, Jalan KP B 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia and via the TIH Online website at <https://tjih.online> on Tuesday, 15 June 2021 at 2.00 p.m. for the purpose of considering and if thought fit, to pass the following resolutions, with or without modifications:-

AS ORDINARY BUSINESSES

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 and the Reports of the Directors and Auditors thereon.
(Please refer to Explanatory Note 1)
2. To re-elect the following Directors who retire by rotation in accordance with Clause 130 of the Company’s Constitution and being eligible, offer themselves for re-election:-
 - i) Tan Yu Yeh Resolution 1
 - ii) Ng Ing Peng Resolution 2*(Please refer to Explanatory Note 2)*
3. To approve the payment of Directors’ fees and benefits payable to the Non-Executive Directors for an amount up to RM650,000 for the period from 1 July 2021 until the next Annual General Meeting to be held in 2022.
(Please refer to Explanatory Note 3) Resolution 3
4. To re-appoint BDO PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Board of Directors to determine their remuneration.
(Please refer to Explanatory Note 4) Resolution 4

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

5. **ORDINARY RESOLUTION 1** Resolution 5
PROPOSED AUTHORITY TO ISSUE AND ALLOT ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

“THAT subject always to the Companies Act 2016 (“the Act”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company’s Constitution and the approvals of the relevant government and/or regulatory authorities, if any, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may, in their absolute discretion deem fit and expedient in the best interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors of the Company be and are also empowered to do all such things as they may deem fit and expedient to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

(Please refer to Explanatory Note 5)

Notice of Annual General Meeting

6. ORDINARY RESOLUTION 2 PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING IN NATURE

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") to enter into the following recurrent related party transactions with the related parties, particulars of which are set out in Section 2.5 of the Circular to Shareholders dated 28 April 2021, which are of revenue and/or trading in nature, which are necessary for the Group's day-to-day operations, undertaken in the ordinary course of business at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company:-

- | | |
|--|--------------|
| i) Provision of procurement services, financial reporting services and consultancy services by the Group to Mr. D.I.Y. International Holding Ltd. ("MDIH") and its subsidiaries, associated companies and corporations controlled by MDIH. | Resolution 6 |
| ii) Sale of goods by Mr. D.I.Y. Trading Sdn. Bhd., a wholly owned subsidiary of the Company, to Mr D.I.Y. Trading (Singapore) Pte. Ltd. for the purpose of retail operations in Singapore. | Resolution 7 |

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
 - ii) the expiration of the period within which the AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - iii) the resolution is revoked or varied by a resolution passed by the shareholders of the Company in general meeting,
- whichever is the earlier,

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." *(Please refer to Explanatory Note 6)*

7. ORDINARY RESOLUTION 3 PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK AUTHORITY")

Resolution 8

"THAT subject always to the provisions of Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and/or any other relevant laws, regulations, guidelines and/or regulatory authorities, if any:-

- a) approval be and is hereby given for the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interest of the Company provided that:-
 - i) the aggregate number of shares which may be purchased and held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase; and

Notice of Annual General Meeting

- ii) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase;
 - iii) upon completion of the shares so purchased, the Directors of the Company be authorised at their absolute discretion to cancel the shares so purchased or to retain the shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the MMLR of Bursa Securities and any other relevant authorities for the time being in force.
- b) the approval conferred by this resolution shall commence immediately upon passing of this resolution and continue to be in force until:-
- i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own shares before the aforesaid expiry date and, in any event, in accordance with the MMLR of Bursa Securities and any applicable laws, regulations, guidelines and requirements issued by any relevant authorities.

- c) authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/ or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”
- (Please refer to Explanatory Note 7)*
8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

By order of the Board

WONG MUN SIN
(MAICSA 7025509)
(SSM PC No. 202008000876)
Company Secretary

Dated : 28 April 2021
Selangor Darul Ehsan

Notice of Annual General Meeting

NOTES:

1. The Broadcast Venue of the 10th Annual General Meeting (“AGM”) is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 (“the Act”) which requires the Chairman of the Meeting to be at the main venue of the meeting. Shareholders/proxy(ies) will not be allowed to attend the 10th AGM in person at the Broadcast Venue.

Shareholders/proxy(ies) are to attend, speak (including posing questions to the Board via real time submission of typed texts or prior to the AGM) and vote (collectively, “participate”) remotely at the 10th AGM via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Details and notes below in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 8 June 2021. Only members whose names appear on this Record of Depositors shall be entitled to participate in this AGM via RPV or appoint proxy/proxies to attend and vote on his/her behalf via RPV.
3. A member, including an Authorised Nominee, may appoint not more than two (2) proxies to attend and vote instead of the member or Authorised Nominee at the meeting on the same occasion.

An Exempt Authorised Nominee (which holds ordinary shares in the Company for the Omnibus Account) may appoint one or more proxies to attend on the same occasion. There is no limit to the number of proxies which an Exempt Authorised Nominee may appoint in respect of each Omnibus Account the Exempt Authorised Nominee holds.

Where a member, an Authorised Nominee or an Exempt Authorised Nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.

4. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at a meeting.
5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 10th AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIIH online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Details.

6. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company **not later than Monday, 14 June 2021 at 2.00 p.m.:**

i) In hard copy form

The hardcopy proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company, Tricor, via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Details on the procedures for electronic lodgement of proxy form via TIIH Online.

7. The lodging of a completed Proxy Form does not preclude a member from participating and voting at the AGM. Should you subsequently decide to participate at the AGM, please submit a notice of revocation in writing to the Share Registrar of the Company, Tricor, at the above address or via email at is.enquiry@my.tricorglobal.com, not later than Sunday, 13 June 2021 at 2.00 p.m..
8. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
9. The resolutions set out in the Notice of 10th AGM will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

EXPLANATORY NOTES

- (1) Audited Financial Statements for the financial year ended 31 December 2020 and the Reports of the Directors and Auditors thereon

The audited financial statements are laid at the AGM in accordance with Section 340(1)(a) of the Act for discussion only. They do not require shareholders’ approval and hence, will not be put for voting.

Notice of Annual General Meeting

(2) Resolutions 1 and 2 : Re-election of Directors

Clause 130 of the Constitution of the Company provides that at each AGM, one-third of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years. The Directors who retire from office shall be eligible for re-election. Hence, 2 out of 6 Directors of the Company are to retire and shall be eligible for re-election at the 10th AGM.

Tan Yu Yeh and Ng Ing Peng are retiring and being eligible, have offered themselves for re-election at the 10th AGM.

The Board, through the Nomination and Remuneration Committee (“NRC”), has conducted an assessment on the suitability of Tan Yu Yeh and Ng Ing Peng who are seeking re-election at the 10th AGM of the Company and agreed that both Directors have met the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors as prescribed in Paragraph 2.20A of the MMLR of Bursa Securities.

The NRC has also considered and affirmed, and the Board has endorsed that Ng Ing Peng, an Independent Director, complied with the independence criteria as prescribed in the MMLR of Bursa Securities and remained independent in exercising her judgment and in carrying out her duties as Independent Director.

(3) Resolution 3 – Directors’ Fees and Benefits

Pursuant to Section 230(1) of the Act, Paragraph 7.24 of the MMLR of Bursa Securities and Clause 112 of the Constitution of the Company, any fees and benefits payable to the Directors shall be approved at a general meeting.

The amount of Directors’ fees and benefits payable to the Non-Executive Directors (“NEDs”) of the Company as members of the Board and Board Committees of the Company is based on the following remuneration framework:

Type of Fees/Benefits	Amount (RM)
Non-Executive Chairman	144,000 per annum
Non-Executive Director	100,800 per annum
Meeting allowance	1,000 per meeting
Chairman allowance	5,000 per month

In determining the estimated total amount of Directors’ fees and benefits for the NEDs, the Board has considered various factors, including the number of scheduled and non-scheduled meetings of Board, Board Committees and general meetings, the composition of NEDs, including a provisional sum as a contingency for future appointment of additional NED on the Board and other allowances associated to and to facilitate their discharging of duties as Directors.

The proposed Resolution 3, if passed, will give authority to the Company to pay the Directors’ fees and benefits to NEDs on a monthly basis in arrears and/or as and when incurred, since the NEDs have discharged their responsibilities and rendered their services to the Company throughout the period.

(4) Resolution 4 - Re-appointment of Auditors

The Board, through the Audit and Risk Management Committee, had conducted an assessment on the suitability, objectivity and independence of BDO PLT in respect of the financial year ended 31 December 2020. The Board was satisfied with the performance of BDO PLT and recommended the re-appointment of BDO PLT as Auditors of the Company to hold office until the conclusion of the next AGM in 2022 in accordance with Section 271 of the Act.

(5) Resolution 5 – Proposed Authority for Directors of the Company to Issue and Allot Ordinary Shares pursuant to Sections 75 and 76 of the Act

Resolution 5 is a proposed general mandate for the Company to issue and allot shares at any time provided, that the aggregate number of shares issued does not exceed ten per centum (10%) of the total number of issued shares of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM in 2022.

Please refer to the Statement Accompanying Notice of AGM for further details of the Proposed General Mandate.

(6) Resolutions 6 to 7 – Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading in Nature (“Proposed RRPTs”)

The Proposed RRPTs, if approved, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties as set out in Section 2.5 of the Circular to Shareholders dated 28 April 2021 in accordance with the MMLR of Bursa Securities without the necessity to convene separate general meetings to seek shareholders’ approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. For further details, please refer to Part A of the Circular to Shareholders dated 28 April 2021, which is circulated together with the Annual Report 2020.

(7) Resolution 8 – Proposed Share Buy-Back Authority

The Proposed Share Buy-Back Authority, if approved, will empower the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period as stipulated in the MMLR of Bursa Securities. For further information, please refer to Part B of the Circular to Shareholders dated 28 April 2021.

Statement Accompanying Notice of 10th Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DIRECTOR SEEKING FOR ELECTION AT 10TH ANNUAL GENERAL MEETING

No director seeks for election at 10th Annual General Meeting.

AUTHORITY FOR DIRECTORS OF THE COMPANY TO ISSUE AND ALLOT ORDINARY SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The proposed Resolution 5, if passed, will provide the authority to and empower the Directors, pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new ordinary shares in the Company up to an aggregate number not exceeding ten per centum (10%) of the total number of issued shares of the Company for the time being for such purposes as the Directors deem necessary, expedient and in the best interest of the Company. The proposed general mandate will provide flexibility to the Company to issue new ordinary shares for any possible fund-raising activities, including but not limited to placement of shares for the purpose of funding working capital, future investments and/or acquisitions or such other application as the Directors may deem fit in the best interest of the Company.

This would eliminate any delay arising from and eliminate costs involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. The authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given or revoked/varied at any time by a resolution passed at general meeting, whichever is the earlier.

Administrative Details

TENTH ANNUAL GENERAL MEETING (“10th AGM”) OF MR D.I.Y. GROUP (M) BERHAD (“MDGM”)

Date Tuesday, 15 June 2021	Time 2.00 p.m.	Online Meeting Platform TIIH Online website at https://tiih.online with Remote Participation and Voting facilities
Broadcast Venue Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia		

MODE OF MEETING

As a continuing effort to contain the spread of COVID-19 and as part of the safety measures to safeguard the wellbeing of our shareholders, the 10th Annual General Meeting of MDGM will be conducted fully virtual through live streaming from the Broadcast Venue. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 and subsequently revised on 5 March 2021 (including any amendment that may be made from time to time).

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be present at the main venue of the 10th AGM. Shareholders/proxies/corporate representatives are only allowed to participate and vote in the 10th AGM remotely via live streaming and online voting using RPV facilities via **TIIH Online website at <https://tiih.online>**.

Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangement of our 10th AGM at short notice. Kindly check announcement on MDGM's website or Bursa Malaysia Securities Berhad's website from time to time for any updates on the 10th AGM. MDGM will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

Only shareholders whose names appear on the ROD as at 8 June 2021 shall be entitled to attend, speak and vote at the 10th AGM or appoint proxies to attend and/or vote on his/her behalf.

REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts or prior to the AGM) and vote (collectively, “participate”) remotely at the AGM using RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its **TIIH Online** website at <https://tiih.online>.

PROCEDURES FOR RPV

Shareholders/proxies/corporate representatives/attorneys are to follow the requirements and procedures to participate in the 10th AGM remotely using RPV as set out below:-

Procedures	Action
BEFORE THE DAY OF AGM	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services” select “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

Administrative Details

Procedures	Action
BEFORE THE DAY OF AGM	
(b) Register to participate remotely	<ul style="list-style-type: none"> • Registration is open from 10.00 a.m. Wednesday, 28 April 2021 until such time before the voting session ends of the 10th AGM on Tuesday, 15 June 2021. • Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 10th AGM to ascertain their eligibility to participate in the 10th AGM using the RPV based on the General Meeting ROD as at 8 June 2021. • Login with your user ID (i.e. e-mail address) and password and select the corporate event: “(REGISTRATION) MDGM 10th AGM”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select “Register for Remote Participation and Voting”. • Review your registration and proceed to register. • TIIH system will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting RODs as at 8 June 2021, the system will send you an e-mail by 14 June 2021 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for the approval of new user of TIIH Online as well as the registration for RPV in order that you can login to TIIH Online and participate in the 10th AGM remotely).</i></p>
ON THE DAY OF THE AGM (15 June 2021)	
(c) Login to TIIH Online	<ul style="list-style-type: none"> • Login with your user ID and password for remote participation at the 10th AGM at any time from 1.30 p.m. i.e. 30 minutes before the commencement of the 10th AGM on Tuesday, 15 June 2021 at 2.00 p.m.
(d) Participate through Live Streaming	<ul style="list-style-type: none"> • Select the corporate event: “(LIVE STREAM MEETING) MDGM 10th AGM” to engage in the proceedings of the 10th AGM remotely. <p>If you have any question for the Chairperson/Board, you may use the query box to transmit your question. The Chairperson/Board will endeavor to respond to questions submitted by remote participants during the AGM.</p>
(e) Online Remote Voting	<ul style="list-style-type: none"> • Voting session commences from 2.00 p.m. on Tuesday, 15 June 2021 until a time when the Chairperson announces the end of the voting session of the 10th AGM. • Select the corporate event: “(REMOTE VOTING) MDGM 10th AGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f) End of remote participation	<ul style="list-style-type: none"> • Upon the announcement by the Chairman on the closure of the 10th AGM, the Live Streaming will end.

Note to users of the RPV:

1. Should your application to join the 10th AGM be approved, we will make available to you the rights to join the live streamed 10th AGM and to vote remotely. Your login to **TIIH Online** on the day of the 10th AGM will indicate your attendance/presence at the virtual of 10th AGM.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed of the 10th AGM or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

PROXY

- If you are unable to attend the 10th AGM via RPV on 15 June 2021, you may appoint not more than two (2) proxies to attend and vote at the 10th AGM via RPV. There is no limit to the number of proxies which an Exempt Authorised Nominee may appoint for each Omnibus Account.

Administrative Details

- Kindly submit the duly executed proxy forms in a hard copy form or by electronic means in the following manner and must be received by the Company **not later than Monday, 14 June 2021 at 2.00 p.m.:-**
 - i) The hard copy proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - ii) The proxy form be electronically lodged with Tricor via TIIH Online at <https://tiih.online>. Kindly refer to the procedure for Electronic Lodgement of Proxy Form, item (i) & (ii) below.
- Representatives of corporate shareholders (corporate representatives) or Attorneys appointed by power of attorney must deposit their original certificate of appointment of corporate representative/power of attorney to Tricor **not later than Sunday, 13 June 2021 at 2.00 p.m.** to participate via RPV in the 10th AGM.

Shareholders who have appointed a proxy or attorney or corporate representative to participate at the 10th AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge proxy form electronically via Tricor’s **TIIH Online** website are summarised below:

Procedures	Action
i. Steps for Individual Shareholders	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> • You should have registered as user with TIIH Online under Procedures for RPV, item (a) above.
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • Go to https://tiih.online and login with your user name (i.e. email address) and password. • Select the corporate event: “MDGM 10th AGM - Submission of Proxy Form”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. • Review and confirm your proxy(s) appointment. • Print proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
(c) Register as a User with TIIH Online	<ul style="list-style-type: none"> • Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
(d) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online. • Select the corporate exercise name: “MDGM 10th AGM: Submission of Proxy Form”. • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online, select corporate exercise name: “MDGM 10th AGM: Submission of Proxy Form”. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.

Administrative Details

POLL VOTING

- The voting at the 10th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- Shareholders can proceed to vote on the resolutions at any time from the commencement of the 10th AGM at 2.00 p.m. but before the end of the voting session, which will be announced by the Chairman of the 10th AGM. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely from **TIIH Online** website at <https://tiih.online>.
- Upon completion of the voting session for the 10th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

SUBMISSION OF QUESTIONS FOR THE 10TH AGM

(i) Prior to 10th AGM

Shareholders may submit questions in relation to the agenda items of the 10th AGM prior to the meeting via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically not later than **Monday, 14 June 2021 at 2.00 p.m.** The responses to the relevant questions will be shared at the 10th AGM.

(ii) During the 10th AGM

Shareholders may use the **Query Box** facility to submit questions real time (in the form of typed text) during the 10th AGM. The Board will endeavor to answer the relevant questions at the 10th AGM or by email after the meeting.

RECORDING OR PHOTOGRAPHY

Strictly **no unauthorised recording or photography** of the proceedings of the 10th AGM are allowed.

ANNUAL REPORT AND CIRCULAR TO SHAREHOLDERS

The following documents are available for downloading from our corporate website at www.mrdiy.com or by scanning the QR code:

1. Annual Report 2020
2. Circular to Shareholders
3. Corporate Governance Report 2020
4. Notice of the 10th AGM
5. Proxy Form
6. Administrative Details



SCAN HERE

In an effort to support green environment, we encourage shareholders to refer to the electronic copy of the abovementioned documents. You may request for a printed copy of the abovementioned documents at <https://tiih.online> by selecting "Request for Annual Report/Circular" under the "Investor Services" or through telephone/e-mail to our Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. as given below.

ENQUIRY

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

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com
Contact persons : Ms. Christine Cheng; +603-2783 9265/Email: Christine.Cheng@my.tricorglobal.com
Pn. Azizah Kadir ; +603-2783 9260/Email: Azizah@my.tricorglobal.com
En. Zulkifli : +603-2783 9249/ Email: Zulkifli@my.tricorglobal.com



Always Low Prices

MR D.I.Y. GROUP (M) BERHAD
[Company No. 201001034084 (918007-M)]
(Incorporated in Malaysia)

Form of Proxy

CDS Account No.	
Number of Shares Held	
Contact No.	

I/We* _____
(FULL NAME IN CAPITAL LETTERS)

Company No./NRIC No./Passport No. _____

of _____
(FULL ADDRESS)

being a Member of MR D.I.Y. GROUP (M) BERHAD hereby appoint the following person(s) as my/our proxy:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or (delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

or failing him/her, the Chairman of the meeting as my/our* proxy to vote for me/us and on my/our behalf at the 10th Annual General Meeting of the Company to be conducted on a fully virtual basis from the Broadcast Venue at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia and via the TIH Online website at <https://tjih.online> on Tuesday, 15 June 2021 at 2.00 p.m. and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1.	To re-elect Tan Yu Yeh as Director of the Company.		
2.	To re-elect Ng Ing Peng as Director of the Company.		
3.	To approve the payment of Directors' fees and benefits payable to the Non-Executive Directors for an amount up to RM650,000 for the period from 1 July 2021 until the next Annual General Meeting to be held in 2022.		
4.	To re-appoint BDO PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Board of Directors to determine their remuneration.		
5.	Proposed Authority for Directors of the Company to Issue and Allot Ordinary Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading in Nature:-		
6.	(i) Provision of procurement services, financial reporting services and consultancy services by the Company and/or its subsidiaries to Mr. D.I.Y. International Holding Ltd. and/or its subsidiaries.		
7.	(ii) Sale of goods by Mr. D.I.Y. Trading Sdn. Bhd. to Mr D.I.Y. Trading (Singapore) Pte. Ltd..		
8.	Proposed Authority for the Company to Purchase its Own Shares.		

(Please indicate with an "X" in the space provided above how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

Signed this _____ day of _____ 2021

Signature of Shareholder(s) or Common Seal

Notes:

1. The Broadcast Venue of the 10th Annual General Meeting ("AGM") is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. Shareholders/proxy(ies) will not be allowed to attend the 10th AGM in person at the Broadcast Venue.

Shareholders/proxy(ies) are to attend, speak (including posing questions to the Board via real time submission of typed texts or prior to the AGM) and vote (collectively, "participate") remotely at the 10th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tjih.online>. Please follow the Procedures for RPV in the Administrative Details and notes below in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 8 June 2021. Only members whose names appear on this Record of Depositors shall be entitled to participate in this AGM via RPV or appoint proxy/proxies to attend and vote on his/her behalf via RPV.

3. A member, including an Authorised Nominee, may appoint not more than two (2) proxies to attend and vote instead of the member or Authorised Nominee at the meeting on the same occasion.

An Exempt Authorised Nominee (which holds ordinary shares in the Company for the Omnibus Account) may appoint one or more proxies to attend on the same occasion. There is no limit to the number of proxies which an Exempt Authorised Nominee may appoint in respect of each Omnibus Account the Exempt Authorised Nominee holds.

Where a member, an Authorised Nominee or an Exempt Authorised Nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.

4. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at a meeting.

5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 10th AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIH online website at <https://tjih.online>. Please follow the Procedures for RPV in the Administrative Details.

6. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company **not later than Monday, 14 June 2021 at 2.00 p.m.**:

i) In hard copy form

The hardcopy proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company, Tricor, via TIH Online at <https://tjih.online>. Kindly refer to the Administrative Details on the procedures for electronic lodgement of proxy form via TIH Online.

7. The lodging of a completed Proxy Form does not preclude a member from participating and voting at the AGM. Should you subsequently decide to participate at the AGM, please submit a notice of revocation in writing to the Share Registrar of the Company, Tricor, at the above address or via email at is.enquiry@my.tricorglobal.com, not later than Sunday, 13 June 2021 at 2.00 p.m..

8. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

9. The resolutions set out in the Notice of 10th AGM will be put to vote by poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Fold here

Affix Stamp

The Share Registrar
c/o: Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 10th Annual General Meeting ("AGM") and/or any adjournment thereof, a Member of the Company:-

- a) consents to the processing of the Member's personal data by the Company for:
- processing and administration of proxies and representatives appointed for the 10th AGM;
 - preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and
 - the Company's compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes").
- b) undertakes and warrants that he or she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes.

(Note: the term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act 2010)

MR D.I.Y. GROUP (M) BERHAD

[Registration No. 201001034084 (918007-M)]

Lot 1907, Jalan KPB 11

Kawasan Perindustrian Balakong

43300 Seri Kembangan

Selangor Darul Ehsan, Malaysia

TEL. NO. : +603 8961 1338

FAX. NO. : +603 8964 0930

WEBSITE : www.mrdiy.com

E-MAIL : investor.query@mrdiy.com