2015

microlink®

ENABLING ENTERPRISES

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Chief Executive Officer / Executive Director
Yong Kar Seng Peter

Non-Independent Non-Executive Director
Monteiro Gerard Clair

Independent Non-Executive Directors
Tai Keat Chai
Martin Chu Leong Meng

BOARD COMMITTEES

Audit & Risk Management Committee
Tai Keat Chai (Chairman)
Martin Chu Leong Meng
Monteiro Gerard Clair

Executive Committee
Dato' Gan Nyap Liou @ Gan Nyap Liow (Chairman)
Yong Kar Seng Peter
Monteiro Gerard Clair

Nomination Committee
Martin Chu Leong Meng (Chairman)
Tai Keat Chai
Monteiro Gerard Clair

Remuneration Committee
Monteiro Gerard Clair (Chairman)
Tai Keat Chai
Yong Kar Seng Peter

Long-Term Incentive Plan Committee
Monteiro Gerard Clair (Chairman)
Tai Keat Chai
Yong Kar Seng Peter

COMPANY SECRETARY

Lim Shook Nyee
[MAICSA No. 7007640]

REGISTERED OFFICE

16th Floor, KH Tower
8 Lorong P. Ramlee
50250 Kuala Lumpur
T +603 2078 4488
F +603 2070 6893

CORPORATE OFFICE

6th Floor, Menara Atlan
161B Jalan Ampang
50450 Kuala Lumpur
T +603 2171 2200
F +603 2171 2240

AUDITORS

BDO
Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
T +603 2616 2888
F +603 2616 2970

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
T +603 7784 3922
F +603 7784 1988

STOCK EXCHANGE LISTING

ACE Market,
Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

www.microlink.com.my

Business Structure by Segment

BUSINESS PERFORMANCE SERVICES

Microlink Solutions Berhad
Microlink Systems Sdn Bhd
Microlink Innovation Sdn Bhd
Microlink Software Sdn Bhd
PT Microlink Indonesia

Omesti Innovation Lab (Malaysia) Sdn Bhd

SERVICES & SYSTEM INTEGRATION

Formis Computer Services Sdn Bhd

CSA Servis (M) Sdn Bhd

DISTRIBUTION SERVICES

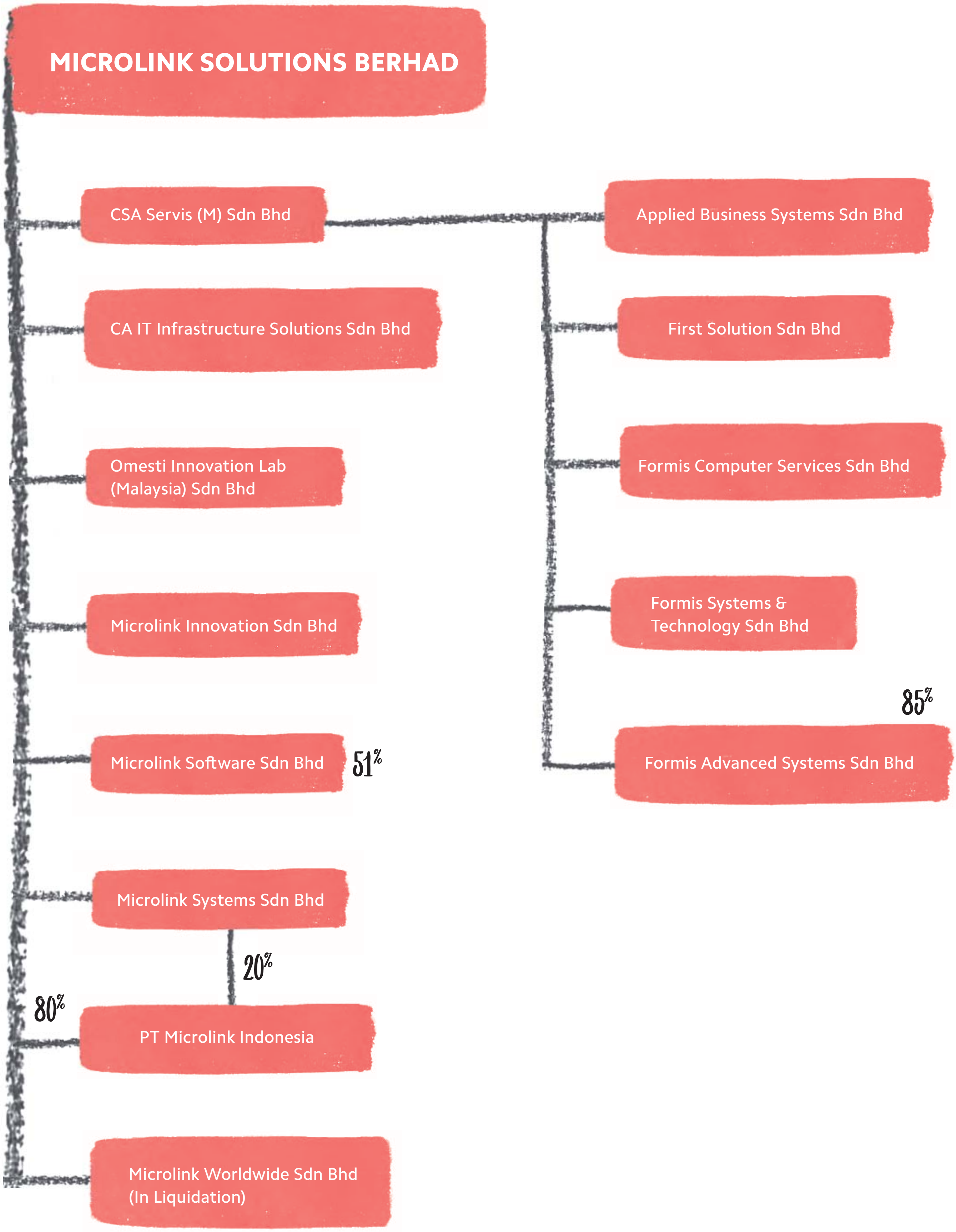
Applied Business Systems Sdn Bhd

First Solution Sdn Bhd

Formis Systems & Technology Sdn Bhd

CA IT Infrastructure Solutions Sdn Bhd

Business Structure by Company

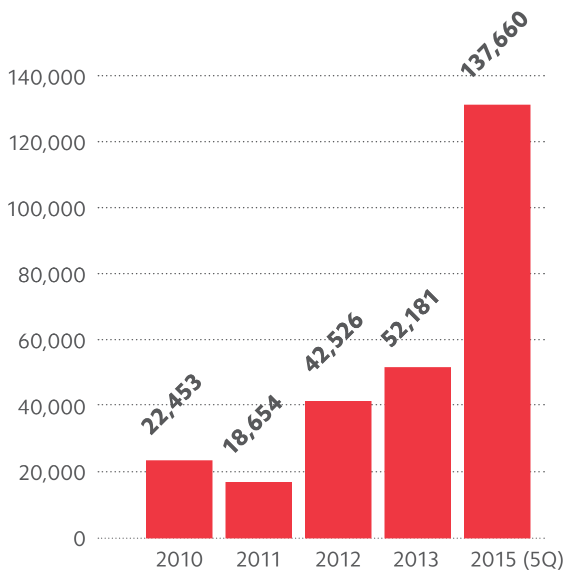


Unless stated otherwise, shareholding is 100%.

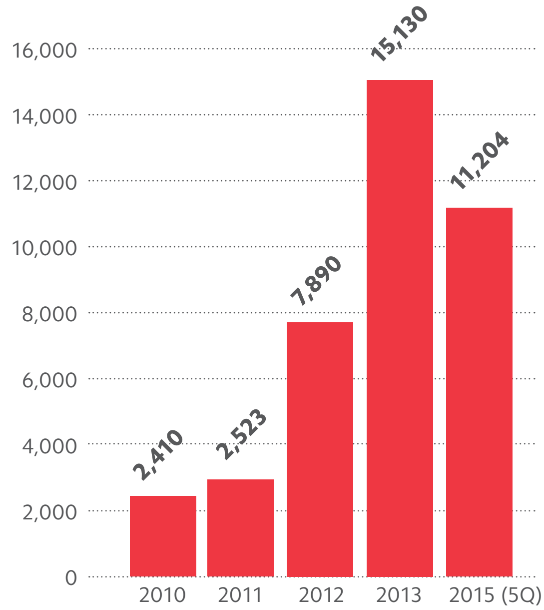
Financial Highlights

2010 — 2015

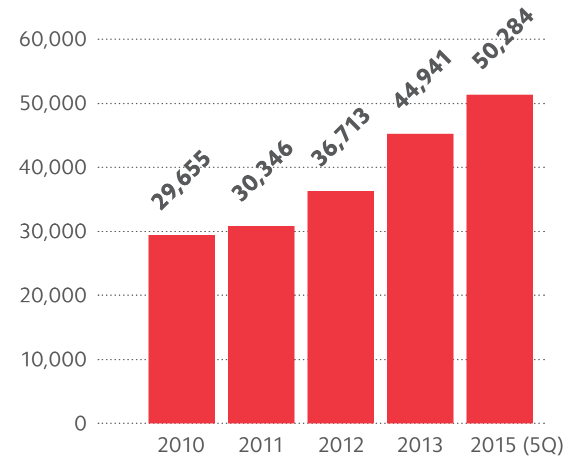
REVENUE (RM'000)



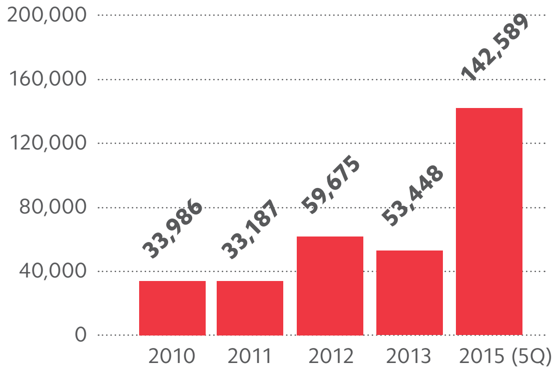
PROFIT BEFORE TAX (RM'000)



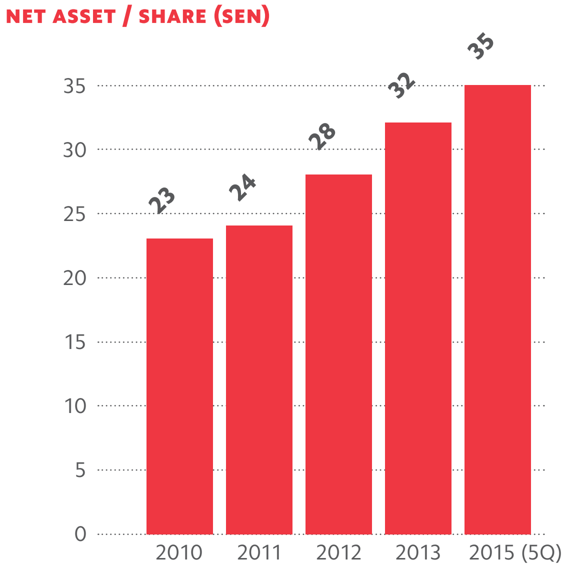
SHAREHOLDERS' EQUITY (RM'000)



TOTAL ASSETS (RM'000)



NET ASSET / SHARE (SEN)



Profile of Directors

YONG KAR SENG, PETER

CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

- AGE 50, SINGAPOREAN
- APPOINTED TO THE BOARD ON 27 AUGUST 2004
- MEMBER OF THE REMUNERATION COMMITTEE, LONG-TERM INCENTIVE PLAN COMMITTEE AND EXECUTIVE COMMITTEE

Mr Yong graduated with a Double Major in Economics and Accounting from the University of Reading, UK. From 1992 to 1994, he was the Vice President for Corporate Finance with Nikko Merchant Bank, Singapore, with responsibility in debt and equity financing for clients within South-East Asia and the Indian Sub-Continent. Subsequently, he joined Quest Securities Ltd, Hong Kong, where he continued his involvement in Corporate Finance until he left the company in 1995.

Mr Yong was a Director of Computer Systems Advisers (M) Berhad from 1996 to 2008, during which time he pioneered the Investor Relations Department and spearheaded the company's investor relations programmes.

With his extensive business experience and acumen, Mr Yong is actively involved in supporting key strategic business activities in the Company. He also holds directorships in several private limited companies.

MONTEIRO GERARD CLAIR

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

- AGE 44, MALAYSIAN
- APPOINTED TO THE BOARD ON 16 OCTOBER 2012
- CHAIRMAN OF THE REMUNERATION COMMITTEE AND LONG-TERM INCENTIVE PLAN COMMITTEE, AND A MEMBER OF THE AUDIT & RISK MANAGEMENT COMMITTEE, NOMINATION COMMITTEE AND EXECUTIVE COMMITTEE

A serial entrepreneur, Mr Monteiro began his career in 1992 as a sales agent for Riken Auto Sdn Bhd and was subsequently appointed as a Director. In 1998, he left Riken Auto and set up Optima Auto Sdn Bhd where he served as Managing Director until 2005.

Since then, he has ventured into the property industry and various other investments via several privately held companies including Red Zone Development Sdn Bhd, an investment holding company. He serves as a Director of Red Zone and of various other private companies, including property development company Montprimo Sdn Bhd where he is Executive Vice Chairman. He also currently serves as an Executive Director of Omesti Berhad (fka Formis Resources Berhad).

In his younger years, Gerard was an accomplished sportsman, representing Malaysia in squash at both junior and senior levels. Crowned National Junior Champion in 1988, he also captained the victorious National Junior Team in the East Asian Junior Squash Championships in 1999.

TAI KEAT CHAI

INDEPENDENT NON-EXECUTIVE DIRECTOR

- AGE 61, MALAYSIAN
- APPOINTED TO THE BOARD ON 28 AUGUST 2013
- CHAIRMAN OF THE AUDIT & RISK MANAGEMENT COMMITTEE AND A MEMBER OF THE NOMINATION COMMITTEE, REMUNERATION COMMITTEE AND LONG-TERM INCENTIVE PLAN COMMITTEE

Mr Tai brings many years of valuable experience and insight through his work at KPMG, London and PwC in Kuala Lumpur. In 1981, he joined Alliance Investment Bank Berhad where he worked in corporate finance for seven years before venturing into stock-broking, working with SJ Securities Sdn Bhd, AA Anthony Securities Sdn Bhd and Kenanga Investment Bank Berhad.

He is currently a Director of CLIQ Energy Berhad, Rex Industry Berhad, Omesti Berhad (fka Formis Resources Berhad), Silk Holdings Berhad, MIDF Amanah Investment Bank Berhad and several other unlisted companies.

Mr Tai is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants.

MARTIN CHU LEONG MENG

INDEPENDENT NON-EXECUTIVE DIRECTOR

- AGE 59, MALAYSIAN
- APPOINTED TO THE BOARD ON 6 JANUARY 2014
- CHAIRMAN OF THE NOMINATION COMMITTEE AND A MEMBER OF AUDIT & RISK MANAGEMENT COMMITTEE

Martin Chu graduated with an MSc in Management Science and a BSc (Hons) in Mechanical Engineering from Imperial College, University of London. His early career was spent at Schlumberger Offshore Services Ltd, in the Netherlands and the UK, as a Senior Field Engineer in wireline logging and production services for offshore oil and gas exploration.

Five years later, he moved into banking where he amassed 26 years of experience in Financial Services, spanning multiple disciplines. After an initial stint with The Mitsubishi Bank Ltd in London, specialising in Corporate Finance, Treasury, Property Finance and Corporate Restructuring, he was appointed as Deputy Chief Executive Officer, Group Management Services Division, of EON Bank Bhd, Kuala Lumpur, a post he held for 15 years.

During this time, he managed the majority of the Bank's operating units and also undertook leadership roles in various corporate exercises including the acquisition of Oriental Bank and Malaysian International Merchant Bank Bhd. In 2000, he was appointed as Executive Director/Acting Chief Executive Officer of Oriental Bank, subsequently leading the merger integration of these two organisations into EON Bank.

From 2008 to 2011, he was Chief Operating Officer of ECM Libra Investment Bank with responsibility for Treasury, Retail Broking, Credit, Finance, IT and Operations. In 2011, he was reassigned to oversee Treasury and Wealth Management and in 2012, was appointed as Chief Risk Officer. During his tenure at ECM Libra, he also sat on the board of Asiasons WFG Ltd, Singapore, as Non-Independent Non-Executive Director from 2009 to 2011.

NOTES:

- Save as disclosed above, none of the Directors has any family relationship with any other Directors and/or other major shareholders of the Company.
- None of the Directors has any conflict of interest with the Company and has not been convicted of any offence within the past ten years other than traffic offences.
- Details of Directors' attendances at the Board meetings are set out in the Statement on Corporate Governance.

Chief Executive's Report

BY PETER YONG KAR SENG

On behalf of the Board of Directors, I am pleased to present this report on the performance of the Microlink Group for the financial period ended 31 March 2015. The reporting period for the Group has been realigned from 12 months ending December to 12 months ending March, in order to coincide with the reporting period of its parent company Omesti Berhad (fka Formis Resources Berhad).

OPERATIONS REVIEW

The Microlink Group has traditionally been an established provider of core banking solutions for conventional and Islamic banking. Operating from headquarters in Kuala Lumpur, with a technical development centre in Sarawak, East Malaysia, the Group employs some 400 people, the majority of whom are technically and professionally qualified. This talent pool provides the necessary reach and depth for the Group to deliver best-in-class solutions to enterprises.

In Malaysia, Bank Rakyat represents one of our key customers, with our banking solutions also used by RHB Bank, Agro Bank and leading co-operative banks such as Bank Persatuan and Koperasi Angkatan Tentera, amongst many others. Internationally, we have served customers in Brunei, Kuwait and the Sudan.

POSITIVE DEVELOPMENTS

During the period under review, the Group successfully completed the project to implement its Ar Rahnu system for a major new customer. There was also a substantial sale of the proprietary Microlink OneSolution software licence for core banking which contributed to Q5 earnings.

Further, a number of M&A developments took place that were designed to expand the product and service offering of the Group, diversify Microlink's revenue base, as well as deliver synergies for the business. These initiatives saw the acquisition in November 2014 of five subsidiaries from our parent company Omesti Berhad (fka Formis Resources Berhad), Omesti Holdings Berhad (fka Formis Holdings Berhad) and Man Yau Holdings Berhad.

The companies are: Formis Computer Services Sdn Bhd, Formis Systems & Technology Sdn Bhd, First Solution Sdn Bhd, Applied Business Systems Sdn Bhd and Formis Advanced Systems Sdn Bhd.

OUR PORTFOLIO NOW COMPRISES AN ENLARGED SUITE OF FINANCIAL SYSTEMS AND SOLUTIONS

Acquired for a total consideration amounting to RM43.2 million, these five companies are now wholly owned subsidiaries of CSA Servis Sdn Bhd, itself a wholly owned subsidiary of Microlink since August 2014.

EXPANDED PORTFOLIO

With this, our portfolio now comprises an enlarged suite of financial systems and solutions, including our proprietary conventional and Islamic banking solutions, along with proprietary solutions for Takaful, or Syariah-compliant, insurance. These solutions are deployed in leading insurance companies like RHB Insurance, Prudential BSN Takaful and Amanah Takaful, amongst others.

This acquisition exercise has also added substantial expertise in IT system integration services (hardware and software), maintenance services, consultancy and IT support. In addition to the traditional integration work around hardware, a new area of focus will be services for cloud computing. The cloud has gained strong momentum in recent years globally and it will be a standard feature for most enterprises in this region in the near future. Our aim is to help

IT IS EXPECTED THAT THE DISTRIBUTION BUSINESS WILL ENHANCE THE REVENUES OF THE GROUP EXPONENTIALLY AND ALLOW FOR A WIDER FOOTPRINT IN MEETING THE END-TO-END REQUIREMENTS OF OUR CUSTOMERS.

THE GROUP RECORDED REVENUES OF

RM 137.67 MILLION

enterprises navigate, integrate and orchestrate the options available in the cloud and reduce complexities. This is currently a niche area that will become a substantial business, one in which we aim to be one of the dominant players.

We also now offer distribution and maintenance of hardware and software from some of the world's leading manufacturers including IBM, Oracle, HP, EMC and Hitachi. It is expected that the distribution business will enhance the revenues of the Group exponentially and allow for a wider footprint in meeting the end-to-end requirements of our customers. It is our intention to expand on the portfolio of brands that are distributed to serve market needs.

THIS ACQUISITION HAS SIGNIFICANTLY STRENGTHENED MICROLINK'S SKILLS BASE WITH A POOL OF MULTI-TALENTED HUMAN CAPITAL

ENHANCED SKILLS BASE

In addition, on 3 December 2014, the Group entered into a Shares Sale Agreement with Omesti Holdings Bhd (fka Formis Holdings Bhd) for the acquisition of Omesti Innovation Lab (OIL) (Malaysia) Sdn Bhd. The principal activity of OIL is information technology and software development, consultancy and outsourcing services. This acquisition has significantly strengthened Microlink's skills base with a pool of multi-talented human capital, enhancing its software development initiatives, and complementing its application capabilities.

One area of focus for OIL is the development of mobile apps across multiple industries, ranging from retail to telco to financial services. The number of mobile devices currently connected to the internet is already more than double the number of PCs that were connected a decade ago and this number will continue to grow. Mobility is a key driver for businesses going forward and the demand for sophisticated mobile app development will be strong.

Another focus area for OIL is to assist the Group's parent company in its delivery and support of the OMESTI eCOURTS platform, the integrated electronic courts system in operation across West Malaysia.

FINANCIAL PERFORMANCE

As highlighted above, the reporting period for the Group has been realigned from 12 months ending December to 12 months ending March in order to coincide with the reporting period of its parent company. The financial period under review in this Report therefore consists of fifteen months, from 1 January 2014 until 31 March 2015.

For the period under review, the Group recorded revenues of RM137.67 million and Profit Before Tax (PBT) of RM11.20 million as compared to revenue of RM52.18 million and PBT of RM15.13 million in the preceding year. This represents a 164% increase in revenue and a 26% reduction in PBT. The higher revenue was mainly due to consolidation of the financial results of the newly acquired entities as well as significant software sales. The lower PBT was primarily due to fees incurred for corporate exercises and high direct costs in distribution businesses.

MARKET OUTLOOK

Malaysia is maintaining its lead in the Islamic capital market as it continues to actively promote and create a vibrant sukuk market through the provision of supportive banking and capital market legislation. The country has consistently been the largest issuer of Sukuk in the world. In 2014, the total global Sukuk outstanding was just over US$300 billion, of which Malaysia accounted for US$173 billion or 57.4% of the total.

As of September 2014, the global Islamic fund sector amassed US$75.8 billion in Assets under Management (AuM), led by Malaysia and Saudi Arabia, which together hold 65% of Shariah-compliant funds. Presently, Malaysia's Islamic banking assets have reached US$65.6 billion with an average growth rate of 18–20% annually.

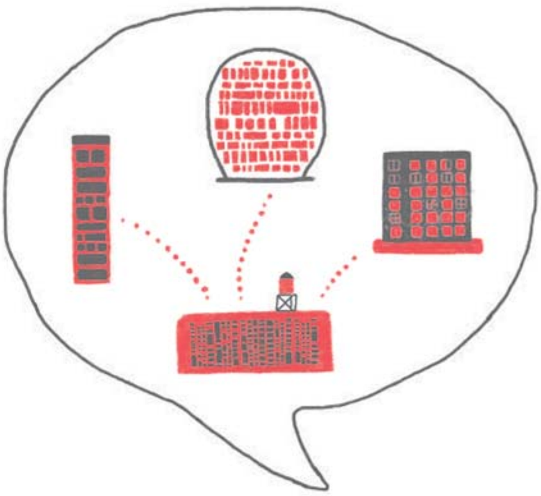
General trends in the banking industry worldwide, from leveraging on mobile technology to tighter capital adequacy and liquidity rules, will affect Islamic banking institutions going forward. Among the key growth drivers for Islamic Finance over the next five years therefore are innovative products, cross-border transactions and new jurisdictions.

In the ICT sector generally, the proposals outlined in Malaysia's 2015 Budget will help drive the country's digital economy in several key areas. Substantial allocations announced are designed to spur growth into Cloud, Mobility, Social and Big Data technologies — Third Platform of Technology — representing significant opportunities across the spectrum.

FUTURE PIPELINE

The Board is positive about the prospects for the Group on several counts. The expanded capability with the acquisition of the distribution businesses will contribute to topline revenues. This expansion, combined with the enhanced systems integration expertise, will enable us to diversify into other industries such as insurance, utilities and the communications sector.

The addition of OIL to the portfolio will add depth and scope to our software development capability in areas such as Mobility Solutions, CRM Platform, Customer Analytics and Secured Data Storage.



THE EXPANDED CAPABILITY WITH THE ACQUISITION OF THE DISTRIBUTION BUSINESSES WILL CONTRIBUTE TO TOPLINE REVENUES.

There are substantial prospects for new business in Indonesia, the world's largest Muslim population, where there is strong interest in our proprietary Islamic banking and Takaful insurance solutions.

The Managed Service Provider (MSP) model provided by the Group delivers network-based services, not only to our own products but also for any other banking solutions in the market. This MSP model is expected to provide a steady revenue stream to the Group.

CO-INNOVATION

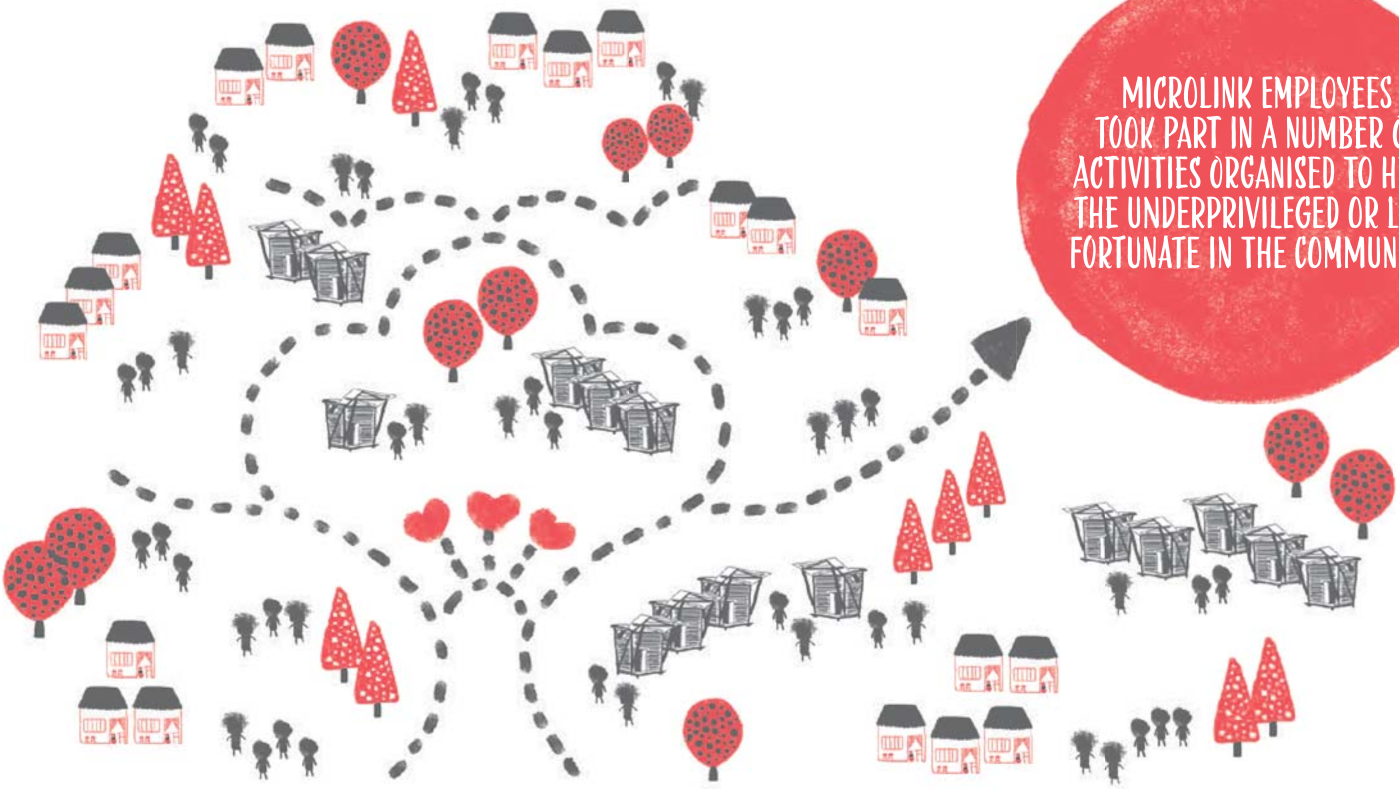
The Group is also working with one of the world's leading enterprise applications firms to bring together its world-class engineering capabilities and Microlink's domain expertise in Islamic banking to co-innovate and deliver a joint Islamic banking product. This collaborative venture will raise the bar in several areas including real-time banking, digital omni-channel delivery and faster go-to-market capabilities. The solution is expected to be launched in 4Q2015 and will be introduced to banks in Malaysia initially, followed by a global roll-out.

THIS COLLABORATIVE VENTURE WILL RAISE THE BAR IN SEVERAL AREAS

CORPORATE EXERCISES

In addition to the exercises described above, in March 2015, PT Microlink Indonesia became jointly owned by Microlink Solutions Berhad and Microlink Systems Sdn Bhd. Lastly, on 3 April 2015, a voluntary winding-up exercise of Microlink Worldwide Sdn Bhd was initiated.

As at 30 January 2015, the Company's public shareholding spread was 11.59% and as such, is still not in compliance with Bursa Securities' public shareholding spread requirement. The Company has been granted a further extension of 6 months from 28 February 2015 until 27 August 2015 (rather than 12 months until 27 February 2016 as applied for) to comply, and is exploring avenues to meet the requirements ahead of the deadline. The major shareholder of the Company, Omesti Berhad (fka Formis Resources Berhad), is assisting in this process.



MICROLINK EMPLOYEES TOOK PART IN A NUMBER OF ACTIVITIES ORGANISED TO HELP THE UNDERPRIVILEGED OR LESS FORTUNATE IN THE COMMUNITY.

CARE IN THE COMMUNITY

During the period under review, Microlink employees took part in a number of activities organised to help the underprivileged or less fortunate in the community. In September 2014, a team of colleagues entered the 15th edition of The Edge-Bursa Malaysia Kuala Lumpur Rat Race. They were among a group of 660 runners from nearly 70 local, foreign, private and public listed companies, whose efforts helped raise some RM1.8 million for various charities in support of English and financial literacy.

In November 2014, three teams of colleagues took part in the MENGO (Malaysian Environmental NGO) Green Hunt 2014 organised in conjunction with National Recycling Day Celebration. The event saw 300kg of items for recycling collected with more than 200kg gathered up on the day itself.

The Microlink Group values diversity and full inclusion at the workplace. Appointments, promotions and other employee-related decisions are made solely on the basis of suitability of skills, experience and performance. As such, our employee population comprises a well-balanced team that is results-oriented and focused on achieving the highest standards of excellence for the Group. The proportion of male to female staff is 61% to 39% respectively, comprising 27% Malay, 63% Chinese, 8% Indian and 2% others. In terms of age, there is a balanced spread as follows: 30% in the 20 to 30 bracket, 42% aged 31 to 40, 22% aged 41 to 50 and 5% aged 51 to 60.

APPRECIATION

Finally, on behalf of the Board, I would like to express my sincere gratitude to the employees and management of the Group for their loyal commitment and contribution during the period under review. On behalf of the Board, I would also like to thank our valued customers, suppliers, business associates and bankers for their continued support.

YONG KAR SENG, PETER
Chief Executive Officer

Statement on Corporate Governance

The Board of Directors (Board) of the Company recognises the importance of practising good corporate governance in directing the business of the Company to enhance business prospects, corporate performance and accountability with the ultimate objective of realising long-term shareholder value and interests of other stakeholders.

The Board is fully committed towards ensuring that the principles and recommendations as set out in the Malaysian Code on Corporate Governance 2012 (MCCG 2012) are applied and practised throughout the Group. The Board is pleased to report to the shareholders on the manner in which the Company has applied all the eight (8) principles of the MCCG 2012 and the extent to which it has complied with the recommendations of the MCCG 2012.

THE BOARD

ROLES & RESPONSIBILITIES

The Board has high responsibility for the strategic direction of and retains full and effective control over the Group, amongst others, the following six responsibilities:

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Generally, the Executive Director is responsible for the day-to-day operations within the limit of authority entrusted to him. The Board makes major decisions such as approval of acquisitions and disposals, new ventures and investment, material agreements, major capital expenditure and budgets.

COMPOSITION & BOARD BALANCE

The Company is led and managed by a well-balanced Board which consists of members with a wide range of business, technical and financial backgrounds. This brings insightful depth and diversity to the leadership and management of an evolutionary business.

The Board currently comprises four (4) members as follows:

2 INDEPENDENT NON-EXECUTIVE DIRECTORS

1 EXECUTIVE DIRECTOR

1 NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

The profiles of the Directors are presented on pages 10 to 11 of this Annual Report.

The composition of the Board ensures that Independent Non-Executive Directors provide an element of objectivity, independent judgement and checks and balances to the decision-making process of the Board. The Independent Non-Executive Directors also ensure that the Group's development plans and business strategies are fully deliberated upon and all decisions taken are in the best interests of the shareholders, employees, customers and other stakeholders of the Group.

BOARD COMMITTEES

The Board has five (5) standing committees (Board Committees), each operating within defined terms of reference, to assist the Board in discharging its responsibilities. The minutes of proceedings of each Board Committee meeting are circulated to all Board members so that all Directors are aware of the deliberations and resolutions made. Where applicable, Board Committees report their decisions to the Board and present their recommendations for the Board's approval.

The current composition of the Board Committees is set out on page 6 of this Annual Report.

BOARD CHARTER

The Board has established a Board Charter as a key point of reference to clarify the roles and responsibilities of the Board. The Board Charter is periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board assumes the six principal responsibilities specified in the MCCG 2012 when discharging its leadership and control responsibilities. The Board Charter is available for reference at the Company's website www.microlink.com.my.

DIRECTORS' CODE OF ETHICS

The Board observes a code of ethics in accordance with the code of conduct expected of Directors as set out in the Company's Directors' Code of Ethics established by the Companies Commission of Malaysia. In line with good governance and transparency, a Whistleblowing Policy has been adopted by the Company which sets out the principle and grievance procedures for employees to raise genuine concerns of possible improprieties perpetrated within the Group.

Both the Code of Ethics and the Whistleblowing Policy are available for reference at the Company's website www.microlink.com.my.

SUSTAINABILITY

The Group acknowledges that sustainability is an important aspect of its business and continues to undertake responsible practices that impact the society and environment in a positive manner and to inculcate a culture of responsibility in all aspects of the business. It therefore adopts a business approach to creating shareholder value by embracing opportunities and managing risks deriving from economics, environment and social developments.

The details of sustainability activities are set out in the Chief Executive's Report on page 15 of this Annual Report.

SUPPLY OF INFORMATION & COMPANY SECRETARY

The Directors are provided with full and timely information which enables them to discharge their responsibilities. Prior to each Board Meeting, the agenda together with the detailed reports and supplementary papers are circulated to the Directors in advance. This is to enable the Directors to obtain further explanations, where necessary, to be adequately informed before the meeting.

The Directors have full access to all information within the Company in furtherance of their duties. In addition, all Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that the Board procedures are followed. The Directors may also seek external independent professional advice at the Company's expense, to assist them in their decision-making.

STRENGTHEN COMPOSITION

NOMINATION COMMITTEE (NC)

The NC is set up to propose new nominees for the Board and to evaluate each individual Director on an on-going basis. The Company has established formal and transparent procedures for the appointment of new Directors. The NC scrutinises the sourcing and nomination of suitable candidates for appointment and also seeks to ensure an optimal mix of qualification, skill and experience among the Board members.

In evaluating the suitability of candidates, the NC considers the following factors before recommending to the Board for appointment:

- skills, knowledge, expertise and experience;
- time commitment to effectively discharge his/ her role as a Director;
- character, integrity and competence; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/ functions as are expected from Independent Non-Executive Directors.

The NC has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual Director.

During the financial period under review, two (2) NC Meetings were held.

The NC, in discharging its functions and duties, carried out the following activities:

- Reviewed the required mix of skills, experience and other qualities including core competencies, which Non-Executive Directors should bring to the Board; and
- Conducted the Directors' Self-Evaluation for assessment of the effectiveness of the Board as a whole, the Committees of the Board, the contribution of each individual Director, including Independent Non-Executive Directors and the Chief Executive Officer.

Based on the annual review and assessment carried out, the NC is satisfied that the size of the Board is optimum and that there is an appropriate mix of skills and core competencies in the composition of the Board.

The Board acknowledges the importance of gender diversity as part of good governance practices and to enhance the efficient functioning of the Board. The Board believes the appointment of new members is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible. In line with this, a Board Diversity Policy has been adopted by the Company. Gender quota and target will be considered when vacancies arise and suitable candidates are identified.

The Board is currently 100% male, with all Directors of Chinese ethnicity. In terms of age breakdown, 50% of the Directors are aged between 41 and 50 years old, while 25% is aged 51-60 and the remaining 25% aged between 61 and 70 years old.

RE-ELECTION

In accordance with the Company's Articles of Association, one third of the Directors shall retire from office and be eligible for re-election at each Annual General Meeting (AGM) and all Directors shall retire from office at least once in three (3) years but shall be eligible for re-election.

The Directors shall have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Company's Articles of Association. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

REMUNERATION COMMITTEE (RC)

The RC is responsible for recommending to the Board the framework and quantum values for the remuneration package, terms of employment, reward structure and benefits for the Executive Director and Senior Management.

In general, the remuneration is structured so as to link rewards to corporate and individual performance. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.

The remuneration packages for the Directors for the financial period from 1 January 2014 to 31 March 2015 are as follows:

	EXECUTIVE DIRECTOR RM'000	NON-EXECUTIVE DIRECTORS RM'000
Salaries and other emoluments	1,480	65
Fees	-	346

The number of Directors whose remuneration falls into each band of RM50,000 are set as follows:

	NUMBER OF DIRECTORS	
	EXECUTIVE	NON-EXECUTIVE
RM50,001–RM100,000	-	1
RM100,001–RM150,000	-	3
RM1,450,001–RM1,500,000	1	-

LONG-TERM INCENTIVE PLAN COMMITTEE (LTIPC)

The LTIPC is appointed by the Board to administer the Long-Term Incentive Plan (LTIP) in accordance with the objectives and regulations as stated in the By-Laws of the LTIP.

As of the financial period from 1 January 2014 to 31 March 2015, there were no LTIP awards offered to the Directors and eligible persons.

EXECUTIVE COMMITTEE (EXCO)

The EXCO is responsible for strategic and operational plans which fall within its level of authority.

AUDIT & RISK MANAGEMENT COMMITTEE (ARMC)

The duties and responsibilities of the ARMC are set out on pages 24 to 25 of this Annual Report.

REINFORCE INDEPENDENCE

ANNUAL ASSESSMENT OF INDEPENDENCE

The Non-Executive Directors are not employees of the Group and do not participate in the day-to-day management of the Group. Out of the three Non-Executive Directors, two are Independent Directors and are able to express their views without any constraints. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. The NC has reviewed the performance of the Independent Directors and is satisfied that they have discharged their responsibilities in an independent manner.

TENURE OF INDEPENDENT DIRECTORS

None of the current independent Board members has served the Company for more than nine (9) years. Should the tenure of an Independent Director exceed nine (9) years, shareholders' approval will be sought at a general meeting.

POSITION OF CHAIRMAN & CHIEF EXECUTIVE OFFICER

Currently, no Chairman has been appointed by the Board following the resignation of the previous Chairman in September 2013. As set out in the Board Charter, the roles of the Chairman and the Chief Executive Officer are clearly established, each having separate and clearly defined scopes of responsibilities and authority. The division of roles and responsibilities ensures that there is no excessive concentration of power in these positions.

FOSTER COMMITMENT

BOARD MEETINGS

The Board ordinarily has four (4) scheduled meetings annually, with additional meetings to be held between the scheduled meetings as and when necessary.

For this financial period under review, a total of ten (10) Board Meetings were held. The attendance record by the current Board is as follows:

DIRECTOR	TOTAL MEETINGS ATTENDED
Yong Kar Seng Peter	10/10
Monteiro Gerard Clair	10/10
Tai Keat Chai	10/10
Martin Chu Leong Meng (Appointed: 06.01.2014)	10/10
Chan Hiok Khiang (Resigned: 31.01.2015)	8/9

All Directors have complied with the minimum 50% attendance requirement at Board Meetings held during the financial period from 1 January 2014 to 31 March 2015 as stipulated by the ACE Market Listing Requirements (ACE LR) of Bursa Malaysia Securities Berhad (Bursa Securities).

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out above.

DIRECTORS' TRAINING

The Board fully supports the need for its members to further enhance their skills and knowledge on relevant new laws and regulations and changing commercial risks to keep abreast with the developments in the economy, industry and technology, among others.

All Directors have attended and successfully completed the Mandatory Accreditation Programme as prescribed under the ACE LR.

The Directors have attended training and will continue to attend other relevant training programmes as may be determined by the Board to keep them abreast with the latest developments in the relevant areas. All

Directors receive updates from time to time, on relevant new laws and regulations to enhance their business acumen and skills to meet changing commercial risks and challenges.

The seminars and conferences attended by the Directors during the financial period were as follows:

DIRECTOR	TRAINING ATTENDED
Yong Kar Seng Peter	• SAP Workshop
Tai Keat Chai	• Sweating the Right Stuff — Risk for Profitable Growth
Martin Chu Leong Meng	• Mandatory Accreditation Programme for Directors of Public Listed Companies

Mr Monteiro Gerard Clair, who spent a substantial amount of time travelling on business engagements, did not attend additional training during the financial period under review.

In addition, Directors continuously receive briefings and updates on the Group's businesses and operations, risk management activities, corporate governance, finance, new developments in the business environment, new regulations and statutory requirements. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skills and knowledge.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Group's financial position, performance and prospects each time it releases its quarterly and audited financial statements to the shareholders, stakeholders and investors. The annual reports are prepared in accordance with the requirements of the Companies Act, 1965, the ACE LR, and the standards approved by Malaysian Accounting Standards Board.

In addition, the Company has adopted the appropriate accounting policies that have been consistently applied in the preparation of its accounting records to present a true and fair view of its financial performance.

The Board has established an ARMC, comprising wholly Non-Executive Directors, the majority of whom are Independent. One of the key responsibilities of the ARMC is to ensure that the financial statements of the Company comply with Financial Reporting Standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, via the ARMC, in assessing the suitability and independence of the External Auditors. Such procedures entail the provision of written assurance by the External Auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The External Auditors continue to report to members of the Company on their findings from the audit on statutory financial statements which are included as part of the Company's financial reports. The Company has always maintained a formal and transparent relationship with the External Auditors in seeking their professional advice and towards ensuring compliance with the accounting standards. It is the policy of the ARMC to meet with the External Auditors at least twice a year to discuss their audit plan, audit findings and the Group's financial statements. These meetings are held without the presence of the Management.

RECOGNISE & MANAGE RISKS

RISK FRAMEWORK & INTERNAL AUDIT FUNCTION

The Board has an overall responsibility for maintaining a sound system of internal control to safeguard shareholder investment and the Group's assets by identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.

The Board views that the system of internal controls instituted throughout the Group is sound and sufficient to safeguard shareholder investment and the Group's assets. The Group is continuously looking into the adequacy and integrity of its system of internal controls to ensure the effectiveness of the system.

RELATIONSHIP WITH AUDITORS

Through the ARMC, the Company has established a transparent and professional relationship with the Group's Auditors. From time to time, the Auditors highlight to the ARMC and the Board on matters that require the Board's attention. They are invited to attend the ARMC Meeting when necessary.

The ARMC recommends the appointment of the External Auditors. The appointment of the External Auditors is subject to the approval of the shareholders at the AGM.

ENSURE TIMELY & HIGH QUALITY DISCLOSURE

The Board recognises the importance to have timely and equal dissemination of relevant information on the Group's performance and other developments via an appropriate channel of communication.

Shareholders, investors and analysts are kept abreast with the major developments of the Group through the various means of communications as follows:

- Quarterly financial statements and annual report
- Announcements on major developments made to Bursa Securities
- Company's general meetings
- Company's website at www.microlink.com.my

As part of the Company's continuing disclosure obligation under the ACE LR of Bursa Securities, the Company aims to ensure timely announcements are made through the Bursa Securities and Company website. This serves to enable investors to make informed investment decisions.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY & SHAREHOLDERS

The AGM is the principal forum for dialogue with public shareholders. The Notice of AGM and annual report will be sent to the shareholders within the period prescribed by the Company's Articles of Association. In addition, the Notice of AGM will be advertised in the newspaper. Any items of special business included in the Notice of AGM will be accompanied by a full explanation of the effects of the proposed special business.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Group remains committed to ensuring that in the course of maximising value for its investors, its corporate social responsibilities are not neglected. During the financial period from 1 January 2014 to 31 March 2015, the Group participated in and organised several activities as described in the Chief Executive's Report on page 15 of this Annual Report.

COMPLIANCE STATEMENT

This statement on the Company's corporate governance practices is made in compliance with the ACE LR.

This Statement was approved by the Board of Directors on 7 July 2015.

Statement On Risk Management & Internal Control

Pursuant to chapter 15.26(b) of the Bursa Malaysia Securities Berhad (Bursa Securities) ACE Market Listing Requirements, the Board of Directors (the Board) of Microlink Solutions Berhad (the Company) is pleased to include this statement in its Annual Report on the state of the risk management and internal controls of the Group for the financial period under review. This statement has been prepared in accordance with the Listing Requirements and with reference to the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board acknowledges that it is ultimately responsible for the Group's system of risk management and internal control and for reviewing the adequacy and integrity of the risk management and internal control system to ensure shareholders' interests and the Group's assets are safeguarded. Due to the inherent limitations in any system of internal control and risk management, such system as is put in place by the Management is only designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, such system can only provide reasonable and not absolute assurance against material misstatements or losses. Due to the ever-changing business environment and conditions, the effectiveness of an internal control and risk management system may vary over time.

RISK MANAGEMENT

The Board acknowledges that all areas of the Group's activities involve some degree of risk and recognises that effective risk management is part of good business management practice for the successful achievement of the Group's business objectives. On a quarterly basis, the Board obtains assurance from the Chief Executive Officer and Senior Finance Manager that the Company's risk management and internal control system is operating adequately and effectively in all material aspects based on its risk management and internal control system.

On a day-to-day basis, the respective Heads of Department and key management staff are responsible for managing the risks of their departments and periodic management meetings are held to address significant issues faced by the Group in order to ensure that significant risks are closely monitored and appropriately addressed. Significant risks of the Group are highlighted to the Board by the Chief Executive Officer and Senior Finance Manager on an exception basis.

The abovementioned practices/initiatives by the Management serve as the on-going process used to identify, evaluate and manage significant risks that affect the achievement of its business objectives. Such process has been in place for the financial period under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

OTHER KEY ELEMENTS OF RISK MANAGEMENT & INTERNAL CONTROL

- An organisation structure with well-defined delegation of authority, segregation of duties and lines of responsibility;
- Systematic procedures in Capability Maturity Model Integration (CMMi) to facilitate process improvement and quality control;
- Strategic plans and annual budgets are prepared by respective Heads of Department and approved by the Board;
- Timely financial reporting in providing relevant financial information for Management review. Announcement of financial information is further subjected to review by the Audit & Risk Management Committee (ARMC) prior to the Board's approval. In addition, statutory auditors' advice is sought as and when required;
- Monthly variance analysis between actual performances and approved budgeted numbers is performed. Comprehensive management accounts and reports are prepared and explanations of major variances are presented in the monthly Management Committee Meetings;

- Board meetings are scheduled regularly. Board papers are distributed to the members of the Board ahead of the meetings and Board members have access to all relevant information. Decisions are made by the Board only after the requisite information is presented and deliberated;
- The Executive Director adopts a hands-on approach in running the business and operations of the Group and he reports to the Board on significant changes in the business and external environment, which affect the operations of the Group at large;
- Experienced and dedicated team of personnel across key functional units;
- Established internal policies and procedures for key business units within the Group; and
- Comprehensive guidelines for the employment and retention of employees are in place, including a staff handbook. Training is provided internally to ensure that employees are well- informed and equipped with all the necessary knowledge, skills and abilities to carry out their responsibilities effectively.

INTERNAL AUDIT

The Group's internal control systems are continually being reviewed and enhanced to ensure that changes in the Group's business and operating environment are adequately managed. The Board through the ARMC currently obtains regular assurance on the adequacy and effectiveness of the internal control system through independent reviews performed by the internal audit function which is outsourced to a professional services firm. The internal audit function reports directly to the ARMC.

During the financial period under review, the internal audit function conducted reviews in accordance with the risk based internal audit plan approved by the ARMC. Based on the internal audit reviews carried out, the results, including findings of the internal audit and recommended corrective actions, were presented to the ARMC at the scheduled meetings. In addition, follow-up review was conducted to ensure recommendations for improvement on the internal control system are satisfactorily implemented.

Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The costs incurred in maintaining the outsourced internal audit function for the financial period from 1 January 2014 to 31 March 2015 amounted to RM30,000.00.

COMMENTARY ON ADEQUACY & EFFECTIVENESS

The Board is committed towards operating a sound system of internal control and effective risk management practices throughout the Group and is of the view that they are adequate to safeguard shareholders' investments and the Group's assets. Nevertheless, the Board is cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Company's system of internal control and risk management.

This Statement was approved by the Board of Directors on 7 July 2015.

Audit & Risk
Management Committee Report

THE AUDIT & RISK MANAGEMENT COMMITTEE (ARMC) COMPRISES THE FOLLOWING THREE DIRECTORS:

- **TAI KEAT CHAI (CHAIRMAN) — INDEPENDENT NON-EXECUTIVE DIRECTOR**
- **MARTIN CHU LEONG MENG — INDEPENDENT NON-EXECUTIVE DIRECTOR**
- **MONTEIRO GERARD CLAIR — NON-INDEPENDENT NON-EXECUTIVE DIRECTOR**

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the ARMC is guided by its Terms of Reference.

ROLES & RESPONSIBILITIES

The roles and responsibilities of the ARMC include:

MATTERS RELATING TO EXTERNAL AUDIT:

- Review the nomination of External Auditors and their audit fees;
- Review the nature, scope and quality of external audit plan/arrangements;
- Review quarterly and annual financial statements of the Company, before submission to the Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgemental issues;
- Review the External Auditors' audit report;
- Review with the External Auditors, their evaluation of the system of internal controls;
- Review the Company's policies and procedures with the Management and External Auditors to ensure the adequacy of internal accounting and financial reporting controls;
  - (a) Review any letter of resignation from the External Auditors;
  - (b) Consider and review whether there is reason (supported by grounds) to believe that the Company's External Auditors are not suitable for re-appointment; and
  - (c) Review the assistance given by the Company's officers to the External Auditors.

MATTERS RELATING TO INTERNAL AUDIT:

- Review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- Review the internal audit programme, processes and results of the internal audit programme;
- Review the follow-up actions by the Management on the weakness of internal accounting procedures and controls;
- Review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
- Review the assistance and co-operation given by the Company and its officers to the Internal Auditors.

RISK MANAGEMENT & INTERNAL CONTROL

- Review the adequacy of risk management framework and provide independent assurance to the Board on the effectiveness of the Company's risk management processes;
- Evaluate the quality and effectiveness of the Company's internal controls and management information systems, including compliance with applicable laws, rules and guidelines; and
- Recommend to the Board the Statement of Internal Control and any changes therein.

VERIFICATION OF LONG-TERM INCENTIVE PLAN (LTIP)

- Verify the allocation of options during the year under the LTIP to ensure that this was in compliance with the allocation criteria determined by the LTIP Committee and in accordance with the By-laws of the LTIP.

RELATED PARTY TRANSACTIONS

- Consider any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

MEETINGS

The ARMC held a total of seven (7) meetings during the financial period from 1 January 2014 to 31 March 2015. The attendance record of the respective members is as follows:

Committee Member	Total Meetings Attended
Tai Keat Chai	7/7
Monteiro Gerard Clair (Resigned: 20.05.2014 and Re-appointed: 01.11.2014)	5/5
Martin Chu Leong Meng (Appointed: 20.05.2014)	4/4
Chan Hiok Khiang (Resigned: 31.01.2015)	5/5

SUMMARY OF ACTIVITIES

During the financial period from 1 January 2014 to 31 March 2015, the ARMC carried out the following:

- Reviewed the unaudited quarterly reports of the Group before recommending to the Board for their approval and release to Bursa Malaysia Securities Berhad (Bursa Securities);
- Reviewed with External Auditors the audit planning memorandum of the Group for the financial period from 1 January 2014 to 31 March 2015;
- Reviewed with External Auditors the Group's results for the financial period from 1 January 2014 to 31 March 2015 before recommending to the Board for their approval and release to Bursa Securities;
- Reviewed the status report and recommendations for corrective action plans submitted by the Internal Auditors and received regular updates on the implementation by the Group;
- Reviewed the recurrent related party transactions; and
- Recommended to the Board on the re-appointment of the External Auditors.

STATEMENT VERIFYING ALLOCATION OF SHARE OPTIONS PURSUANT TO THE LTIP

No LTIP awards were offered to the Directors and eligible persons during the financial period under review.

INTERNAL AUDIT FUNCTION

The Board recognises the importance of a sound system of internal control to safeguard shareholders' investments and the Company's assets. The internal audit function in the Company is outsourced to assist in identifying, evaluating, monitoring and managing the significant risks to ensure proper risk management, adequacy and integrity of the internal control systems in line with the requirements of the Statement on Internal Control - Guidance for Directors of Public Listed Companies. The Internal Auditors report directly to the ARMC.

Statement on Directors' Responsibility for Preparing The Financial Statements

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act, 1965, the ACE Market Listing Requirements (ACE LR) and the requirements of the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board (MASB).

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and of the Company present a true and fair view of the state of affairs of the Group and of the Company as at the financial period end and of their financial performance and cash flows for the financial period then ended.

In preparing the audited financial statements of the Group and of the Company for the financial period from 1 January 2014 to 31 March 2015, the Directors have ensured that appropriate and relevant accounting policies have been adopted and consistently applied, reasonable and prudent estimates have been exercised and going concern basis adopted.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act, 1965, the ACE LR and the requirements of the applicable approved Financial Reporting Standards issued by the MASB.

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

FINANCIAL STATEMENTS

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 period 1 January 2014 to 31 March 2015.

CHANGE OF FINANCIAL YEAR END

During the financial period, the Company changed its financial year end from 31 December to 31 March to be coterminous with the financial year end of the ultimate holding company. Accordingly, the financial statements of the Company for the financial period ended 31 March 2015 cover a 15 months period compared to the 12 months period ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of research and development on information technology solutions to the financial services industry. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial period.

RESULTS

	Group (RM)	Company (RM)
Profit for the financial period	8,762,212	3,981,730
Attributable to:		
Owners of the parent	9,358,633	3,981,730
Non-controlling interests	(596,421)	-
	8,762,212	3,981,730

DIVIDEND

Dividend paid, declared or proposed since the end of the previous financial year was as follows:

A second interim tax exempt dividend of 3.0 sen per ordinary share, amounting to RM4,141,818 in respect of the financial year ended 31 December 2013 was paid on 21 March 2014 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 7 March 2014.

The Directors do not recommend the payment of any final dividend in respect of the current financial period.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

ISSUED AND PAID UP SHARE CAPITAL

During the financial period, the issued and paid-up share capital of the Company was increased from RM13,805,060 to RM13,835,290 by way of issuance of 302,300 new ordinary shares of RM0.10 each for cash pursuant to the exercise of Employees' Shares Option as disclosed in Note 18 to the financial statements.

ISSUE OF SHARES AND DEBENTURES (CONTINUED)

ISSUED AND PAID UP SHARE CAPITAL (CONTINUED)

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

ISSUED REDEEMABLE PREFERENCE SHARE

During the financial period, the Company issued 35,193,044 redeemable preference shares of RM1.00 each pursuant to a Shares Sales Arrangement with Omesti Berhad (formerly known as Formis Resources Berhad), Omesti Holdings Berhad (formerly known as Formis Holdings Berhad), and Man Yau Holdings Berhad for the acquisition of subsidiaries as disclosed in Note 32 to the financial statements.

The salient features of the redeemable preference shares are disclosed in Note 24 to the financial statements.

There was no issue of debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

Under the Company's Employees' Shares Option Scheme (ESOS) which became effective on 27 April 2006, options to subscribe for unissued new ordinary shares of RM0.10 each in the Company were granted to eligible directors and employees of the Company and its subsidiaries. On 27 October 2014, the remaining 34,800 unexercised options were terminated.

The salient features of the ESOS are disclosed in Note 18 to the financial statements.

DIRECTORS

The Directors who have held office since the date of the last report are:

Monteiro Gerard Clair
Yong Kar Seng Peter
Tai Keat Chai
Martin Chu Leong Meng
Chan Hiok Khiang (Resigned on 31 January 2015)

DIRECTORS' INTERESTS

The Director holding office at the end of the financial period and his beneficial interests in the ordinary shares in the related corporations during the financial period as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

SHARES IN THE ULTIMATE HOLDING COMPANY — OMESTI BERHAD	Number of ordinary shares of RM1.00 each			
	Balance as at 1.1.2014	Bought	Sold	Balance as at 31.3.2015
DIRECT INTERESTS				
Monteiro Gerard Clair	122,232,282	-	-	122,232,282

None of the other Directors holding office at the end of the financial period held any interest in ordinary shares, options over ordinary shares and debentures of its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments 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.

There were no arrangements during and at the end of the financial period, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL PERIOD

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, 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 adequate provision had been 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 operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL PERIOD 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 render the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

(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 which is likely to affect substantially the results of operations of the Group and of the Company for the financial period 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 period which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

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 period 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 period.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Significant events during the financial period are disclosed in Note 39 to the financial statements.

HOLDING COMPANIES

The Directors regard Omesti Holdings Berhad (formerly known as Formis Holdings Berhad) and Omesti Berhad (formerly known as Formis Resources Berhad) both of which are incorporated in Malaysia, as the immediate and ultimate holding companies respectively.

The ultimate holding company is listed on the Main Market of Bursa Malaysia Securities Berhad.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

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

YONG KAR SENG PETER
Director

TAI KEAT CHAI
Director

Kuala Lumpur
7 July 2015

Statement by Directors

In the opinion of the Directors, the financial statements as set out on pages 35 to 111 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act, 1965 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 March 2015 and of the financial performance and cash flows of the Group and of the Company for the financial period 1 January 2014 to 31 March 2015.

In the opinion of the Directors, the information as set out in Note 40 to the financial statements on page 112 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

YONG KAR SENG PETER
Director

TAI KEAT CHAI
Director

Kuala Lumpur
7 July 2015

Statutory Declaration

I, Chin Shin Yi, being the officer primarily responsible for the financial management of Microlink Solutions Berhad, do solemnly and sincerely declare that the financial statements as set out on pages 35 to 112 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)
7 July 2015)

CHIN SHIN YI

Before me:

S. IDERAJU (No. W-451)
Commissioner for Oaths

Independent Auditors' Report to The Members of Microlink Solutions Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Microlink Solutions Berhad, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and 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 period 1 January 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 111.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the financial period 1 January 2014 to 31 March 2015 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONTINUED)

(b) We have considered the account and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 10 to the financial statements.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information as set out in Note 40 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (MIA Guidance) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Group and of the Company for the financial year ended 31 December 2013 were audited by another firm of Chartered Accountants, whose report dated 1 April 2014 expressed an unqualified opinion on those statements.

BDO
AF : 0206
Chartered Accountants

OOI THIAM POH
2495/01/16 (J)
Chartered Accountant

Kuala Lumpur
7 July 2015

Statements of Financial Position
As at 31 March 2015

(With comparative figures as at 31 December 2013)

		Group		Company	
ASSETS	**Note**	**31.3.2015 RM**	**31.12.2013 RM**	**31.3.2015 RM**	**31.12.2013 RM**
NON-CURRENT ASSETS					
Property, plant and equipment	8	2,595,201	1,718,402	75,682	53,930
Software development expenditure	9	12,436,645	13,422,847	10,472,243	11,208,634
Investment in subsidiaries	10	-	-	15,506,927	13,677,404
Investment in a joint venture	11	-	-	-	-
Other investment	12	105,000	-	-	-
Goodwill	13	18,473,370	2,817,852	-	-
Deferred tax assets	14	303,032	-	-	-
		33,913,248	17,959,101	26,054,852	24,939,968
CURRENT ASSETS					
Inventories	15	11,791,468	-	-	-
Trade and other receivables	16	64,822,608	11,672,053	56,591,732	19,548,637
Current tax assets		1,679,493	914,500	-	-
Cash and bank balances	17	30,382,320	22,902,170	594,983	532,123
		108,675,889	35,488,723	57,186,715	20,080,760
TOTAL ASSETS		142,589,137	53,447,824	83,241,567	45,020,728
EQUITY & LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	18	13,835,290	13,805,060	13,835,290	13,805,060
Reserves	19	36,448,660	31,136,002	29,826,725	29,892,625
		50,283,950	44,941,062	43,662,015	43,697,685
Non-controlling interests	10	(1,388,824)	(849,871)	-	-
TOTAL EQUITY		48,895,126	44,091,191	43,662,015	43,697,685

Statements of Financial Position as at 31 March 2015 (continued)

(With comparative figures as at 31 December 2013)

		Group		Company	
LIABILITIES	**Note**	**31.3.2015 RM**	**31.12.2013 RM**	**31.3.2015 RM**	**31.12.2013 RM**
NON-CURRENT LIABILITIES					
Borrowings	20	67,301	-	-	-
Provision for gratuity obligations	23	1,490,163	-	-	-
Redeemable preference shares	24	35,193,044	-	35,193,044	-
Deferred tax liabilities	14	938,665	481,621	346,854	229,000
		37,689,173	481,621	35,539,898	229,000
CURRENT LIABILITIES					
Trade and other payables	25	40,885,651	8,872,414	2,914,112	1,092,118
Borrowings	20	13,409,421	-	-	-
Current tax liabilities		1,709,766	2,598	1,125,542	1,925
		56,004,838	8,875,012	4,039,654	1,094,043
TOTAL LIABILITIES		93,694,011	9,356,633	39,579,552	1,323,043
TOTAL EQUITY AND LIABILITIES		142,589,137	53,447,824	83,241,567	45,020,728

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

Statements of Profit or Loss & Other Comprehensive Income for the Financial Period 1 January 2014 to 31 March 2015

(With comparative figures for the year ended 31 December 2013)

	Note	Group		Company	
		1.1.2014 to 31.3.2015 (15 months) RM	**1.1.2013 to 31.12.2013 (12 months) RM**	**1.1.2014 to 31.3.2015 (15 months) RM**	**1.1.2013 to 31.12.2013 (12 months) RM**
Revenue	26	137,660,238	52,180,643	12,005,849	20,253,383
Cost of sales		(95,687,664)	(20,229,553)	(573,071)	(571,293)
Gross profit		41,972,574	31,951,090	11,432,778	19,682,090
Other operating income		768,238	1,143,649	3,632,148	238,434
Distribution costs		(866,412)	(908,986)	(23,317)	(45,374)
Administrative expenses		(26,134,977)	(13,799,272)	(7,234,509)	(9,110,022)
Other operating expenses		(3,937,569)	(3,256,980)	(2,568,294)	(2,432,994)
Finance costs		(598,257)	-	-	-
Profit before tax	27	11,203,597	15,129,501	5,238,806	8,332,134
Tax expense	28	(2,441,385)	(351,623)	(1,257,076)	(222,333)
Profit for the financial period/year		8,762,212	14,777,878	3,981,730	8,109,801
OTHER COMPREHENSIVE INCOME/ (LOSS), NET OF TAX					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translations for foreign operations, net of tax		1,655	(19,966)	-	-
Total comprehensive income		8,763,867	14,757,912	3,981,730	8,109,801
Profit attributable to: owners of the parent		9,358,633	15,282,508	3,981,730	8,109,801
Non-controlling interests	10	(596,421)	(504,630)	-	-
		8,762,212	14,777,878	3,981,730	8,109,801
Total comprehensive income attributable to:					
Owners of the parent		9,360,288	15,262,542	3,981,730	8,109,801
Non-controlling interests		(596,421)	(504,630)	-	-
		8,763,867	14,757,912	3,981,730	8,109,801
Earnings per ordinary share attributable to owners of the parent:					
Basic (sen)	29	6.77	11.07		
Diluted (sen)	29	6.77	11.06		

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

Consolidated Statements of Changes in Equity for the Financial Period 1 January 2014 to 31 March 2015

(With comparative figures for the year ended 31 December 2013)

			Non-distributable					
GROUP	Share Capital RM	Distributable Retained earnings RM	Share premium RM	Equity compensation reserve RM	Translation reserve RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total Equity RM
Balance as at 1 January 2013	12,909,700	20,097,207	3,517,458	326,171	(137,168)	36,713,368	(345,241)	36,368,127
Profit for the financial year	-	15,282,508	-	-	-	15,282,508	(504,630)	14,777,878
Other comprehensive loss, net of tax	-	-	-	-	(19,966)	(19,966)	-	(19,966)
Total comprehensive income	-	15,282,508	-	-	(19,966)	15,262,542	(504,630)	14,757,912
TRANSACTIONS WITH OWNERS								
Dividend paid (Note 30)	-	(9,478,305)	-	-	-	(9,478,305)	-	(9,478,305)
Ordinary shares issued pursuant to ESOS (Note 18)	895,360	-	1,444,527	-	-	2,339,887	-	2,339,887
ESOS expenses	-	-	-	103,570	-	103,570	-	103,570
Options exercised	-	416,505	-	(416,505)	-	-	-	-
Total transactions with owners	895,360	(9,061,800)	1,444,527	(312,935)		(7,034,848)	-	(7,034,848)
Balance as at 31 December 2013	13,805,060	26,317,915	4,961,985	13,236	(157,134)	44,941,062	(849,871)	44,091,191

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

Consolidated Statements of Changes in Equity for the Financial Period 1 January 2014 to 31 March 2015 (continued)
(With comparative figures for the year ended 31 December 2013)

GROUP	Share Capital RM	Distributable Retained earnings RM	Non-distributable Share premium RM	Non-distributable Equity compensation reserve RM	Non-distributable Translation reserve RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total Equity RM
Balance as at 1 January 2014	13,805,060	26,317,915	4,961,985	13,236	(157,134)	44,941,062	(849,871)	44,091,191
Profit for the financial period	-	9,358,633	-	-	-	9,358,633	(596,421)	8,762,212
Other comprehensive income, net of tax	-	-	-	-	1,655	1,655	-	1,655
Total comprehensive income	-	9,358,633	-	-	1,655	9,360,288	(596,421)	8,763,867
TRANSACTIONS WITH OWNERS								
Additional non-controlling interests arising on business combination	-	-	-	-	-	-	57,468	57,468
Dividend paid (Note 30)	-	(4,141,818)	-	-	-	(4,141,818)	-	(4,141,818)
Ordinary shares issued pursuant to ESOS (Note 18)	30,230	-	94,188	-	-	124,418	-	124,418
Options exercised	-	11,039	-	(11,039)	-	-	-	-
Options terminated	-	2,197	-	(2,197)	-	-	-	-
Total transactions with owners	30,230	(4,128,582)	94,188	(13,236)	-	(4,017,400)	57,468	(3,959,932)
Balance as at 31 March 2015	13,835,290	31,547,966	5,056,173	-	(155,479)	50,283,950	(1,388,824)	48,895,126

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

Statements of Changes in Equity for the Financial Period 1 January 2014 to 31 March 2015

(With comparative figures for the year ended 31 December 2013)

COMPANY	Share Capital RM	Distributable Retained earnings RM	Non-distributable Share premium RM	Non-distributable Equity compensation reserve RM	Total Equity RM
Balance as at 1 January 2013	12,909,700	25,869,403	3,517,458	326,171	42,622,732
Profit for the financial year	-	8,109,801	-	-	8,109,801
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	8,109,801	-	-	8,109,801
TRANSACTIONS WITH OWNERS					
Dividend paid (Note 30)	-	(9,478,305)	-	-	(9,478,305)
Ordinary shares issued pursuant to ESOS (Note 18)	895,360	-	1,444,527	-	2,339,887
ESOS expenses	-	-	-	103,570	103,570
Options exercised	-	416,505	-	(416,505)	-
Total transactions with owners	895,360	(9,061,800)	1,444,527	(312,935)	(7,034,848)
Balance as at 31 December 2013	13,805,060	24,917,404	4,961,985	13,236	43,697,685

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COMPANY	Share Capital RM	Distributable Retained earnings RM	Non-distributable Share premium RM	Non-distributable Equity compensation reserve RM	Total Equity RM
Balance as at 1 January 2014	13,805,060	24,917,404	4,961,985	13,236	43,697,685
Profit for the financial period	-	3,981,730	-	-	3,981,730
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	3,981,730	-	-	3,981,730
TRANSACTIONS WITH OWNERS					
Dividend paid (Note 30)	-	(4,141,818)	-	-	(4,141,818)
Ordinary shares issued pursuant to ESOS (Note 18)	30,230	-	94,188	-	124,418
Options exercised	-	11,039	-	(11,039)	-
Options terminated	-	2,197	-	(2,197)	-
Total transactions with owners	30,230	(4,128,582)	94,188	(13,236)	(4,017,400)
Balance as at 31 December 2013	13,835,290	24,770,552	5,056,173	-	43,662,015

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

Statements of Cash Flows for the Financial Period 1 January 2014 to 31 March 2015

(With comparative figures for the year ended 31 December 2013)

		Group		Company	
	Note	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		11,203,597	15,129,501	5,238,806	8,332,134
Adjustments for:					
Amortisation of software development expenditure	9	2,983,627	2,447,477	2,545,195	2,336,679
Depreciation of property, plant and equipment	8	948,479	580,953	23,094	15,594
Impairment losses on:					
– trade and other receivables	16	22,588	105,250	-	-
– amount owing by a subsidiary		-	-	-	3,409,506
Interest expense		598,257	-	-	-
Interest income		(686,817)	(530,823)	(13,628)	(28,335)
Inventories written off		145,575	-	-	-
Loss/(Gain) on disposal property, plant and equipment		13,383	(3,162)	-	(1,309)
Property, plant and equipment written off	8	18,829	8,853	4	8,853
Reversal of impairment loss no longer required on:					
– trade and other receivables	16	(38,570)	(220,400)	-	-
– amount owing by a subsidiary		-	-	(3,360,267)	-
Net unrealised loss on foreign exchange		6,632	-	-	-
Operating profit before changes in working capital		15,215,580	17,517,649	4,433,204	14,073,122
Increase in inventories		(3,825,610)	-	-	-
Decrease/(Increase) in trade and other receivables		25,479,268	11,843,268	7,740,146	(5,294,877)
Decrease/(Increase) in trade and other		(31,423,550)	(13,902,828)	1,190,023	(36,779)
Cash generated from operations		5,445,688	15,458,089	13,363,373	8,741,466
Tax paid		(1,518,252)	(1,105,504)	(15,605)	-
Tax refunded		389,766	-	-	-
Net cash from operating activities		4,317,202	14,352,585	13,347,768	8,741,466

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

Statements of Cash Flows for the Financial Period 1 January 2014 to 31 March 2015 (continued)

(With comparative figures for the year ended 31 December 2013)

	Note	Group 1.1.2014 to 31.3.2015 (15 months) RM	Group 1.1.2013 to 31.12.2013 (12 months) RM	Company 1.1.2014 to 31.3.2015 (15 months) RM	Company 1.1.2013 to 31.12.2013 (12 months) RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired	32	8,857,459	-	(1,829,523)	-
Interest received		686,817	530,823	13,628	28,335
Placement of deposits pledged to licensed banks		(3,987,260)	(1,079,921)	-	-
Addition of software development expenditure	9	(1,143,975)	(2,850,531)	(1,808,804)	(3,279,751)
Proceeds from disposal of property, plant and equipment		9,171	3,166	-	1,312
Purchase of property, plant and equipment	8	(455,837)	(338,834)	(44,850)	(50,706)
(Repayments to)/advances from ultimate holding company		(113,690)	-	631,971	-
Repayment to subsidiaries companies		-	-	(6,229,930)	-
Net cash from/(used in) investing activities		3,852,685	(3,735,297)	(9,267,508)	(3,300,810)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend paid	30	(4,141,818)	(9,478,305)	(4,141,818)	(9,478,305)
Issuance of shares pursuant to ESOS	18	124,418	2,339,887	124,418	2,339,887
Repayments of borrowings		(72,345)	-	-	-
Interest paid		(598,257)	-	-	-
Net cash used in financing activities		(4,688,002)	(7,138,418)	(4,017,400)	(7,138,418)
Net increase/(decrease) in cash and cash equivalents		3,481,885	3,478,870	62,860	(1,697,762)
Cash and cash equivalents at beginning of financial period/year		19,707,642	16,152,902	532,123	2,229,885
Effect of changes in exchange rates		11,005	75,870	-	-
Cash and cash equivalents at end of financial period/year	17	23,200,532	19,707,642	594,983	532,123

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

Notes to the Financial Statements: 31 March 2015

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The Company is also a Multimedia Super Corridor (MSC) status company.

The registered office of the Company is located at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur.

The principal place of business of the Company is located at 6th Floor, Menara Atlan, 161B Jalan Ampang, 50450 Kuala Lumpur.

The Directors regard Omesti Holdings Berhad (formerly known as Formis Holdings Berhad) and Omesti Berhad (formerly known as Formis Resources Berhad) both of which are incorporated in Malaysia, as the immediate and ultimate holding companies respectively.

The ultimate holding company is listed on the Main Market of Bursa Malaysia Securities Berhad.

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

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 7 July 2015.

2. CHANGE OF FINANCIAL YEAR END

During the financial period, the Company changed its financial year end from 31 December to 31 March to be coterminous with the financial year end of the ultimate holding company. Accordingly, the financial statements of the Company for the financial period ended 31 March 2015 cover a 15 months period compared to the 12 months period ended 31 December 2013.

3. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and provision of research and development on information technology solutions to the financial services industry. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial period.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs) and the provisions of the Companies Act, 1965 in Malaysia.

However, Note 40 to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 BASIS OF ACCOUNTING

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 financial statements in conformity with MFRSs and IFRSs 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 judgment in the process of applying the accounting policies. The areas involving such judgments, estimates and assumptions are disclosed in Note 7 to 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.

5.2 BASIS OF CONSOLIDATION

The consolidated financial statements 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 or 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 contractual agreements; and

(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with joint ventures 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 other entities in the Group.

Non-controlling interests 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.2 BASIS OF CONSOLIDATION (CONTINUED)

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 off during the financial period 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.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

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.

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 off. 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 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in joint venture.

5.3 BUSINESS COMBINATIONS

Business combinations 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) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement 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

(c) 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.3 BUSINESS COMBINATIONS (CONTINUED)

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. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

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 fair value. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. 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 interest' 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.

5.4 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 asset 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 the 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.

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (CONTINUED)

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 principal annual depreciation rates are as follows:

Furniture and fittings	20%
Office equipment	20%
Computer software and hardware	20%–25%
Renovation	10%
Motor vehicles	20%

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 5.8 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.

5.5 LEASES AND HIRE PURCHASE

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.6 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. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

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.

(b) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The parties are bound by a contractual arrangement which gives two or more parties joint control of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture.

(i) Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are known as joint operators.

The Group and the Company recognise in relation to its interest in a joint operation:

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output buy the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly.

When the Group transacts with a joint operation (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, as such the gains and losses resulting from the transactions are recognised only to the extent of interests of other parties in the joint operation.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.6 INVESTMENTS (CONTINUED)

(b) Joint arrangements (continued)

(i) Joint operation (continued)

When the Group transacts with a joint operation (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(ii) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are known as joint venturers.

In the separate financial statements of the Company, an investment in a joint venture is stated at cost.

Any premium paid for an investment in a joint venture above the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired of the Group is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount with its carrying amount.

The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

The Group determines the type of joint arrangement in which it is involved, based on the rights and obligations of the parties to the arrangement. In assessing the classification of interests in joint arrangements, the Group considers:

(a) The structure of the joint arrangement;
(b) The legal form of joint arrangements structured through a separate vehicle;
(c) The contractual terms of the joint arrangement agreement; and
(d) Any other facts and circumstances.

When there are changes in the facts and circumstances, the Group reassesses whether the type of joint arrangement in which it is involved

5.7 INTANGIBLE ASSETS

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.7 INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill (continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Software development costs

Software development costs comprise salaries of personnel involved in development projects. Software development costs are charged to the profit or loss in the financial year in which it is incurred except for that relating to specific projects intended for commercial exploitation where it is expected to generate future economic benefits and can reasonably be recovered from related future revenue. Such development expenditure is amortised on a straight-line method over a period of five (5) to ten (10) years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

5.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and a joint venture), 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.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible assets might be impaired.

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. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.8 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

In estimating the 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 goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other 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 on goodwill is not reversed in subsequent periods. An impairment loss for other 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.

5.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Cost of computer hardware, software and spare parts are determined on a specific identification basis while costs of other inventories are determined on the first-in-first-out basis. The cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

5.10 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.10 FINANCIAL INSTRUMENTS (CONTINUED)

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

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

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

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

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.10 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial assets (continued)

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents include cash and bank balances, bank overdrafts, fixed deposits pledged to financial institutions, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

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 sales 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 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 fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.10 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial liabilities (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 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.

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

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, 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.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.10 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Equity (continued)

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company 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 amount of the assets distributed and the carrying amount of the liability in profit or loss.

5.11 IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivables, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment loss reversed is recognised in profit or loss.

5.12 BORROWING COSTS

Borrowing costs on non-qualifying assets are recognised in profit or loss in the period in which they are incurred.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.13 INCOME TAXES

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by a foreign subsidiary to the Group and Company, and real property gains taxes payable on disposal of properties.

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 each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties.

(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 profit 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 profit 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 the 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.13 INCOME TAXES (CONTINUED)

(b) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 the reporting period.

5.14 PROVISIONS

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, 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.

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.

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.

5.15 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 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.

5.16 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.16 EMPLOYEE BENEFITS (CONTINUED)

(a) Short term employee benefits (continued)

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.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and a foreign subsidiary make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

(c) Long term employee benefits

Long term employee benefits include retirement gratuities payable under a retirement gratuity scheme which was established by the Group. The level of retirement gratuities payable is determined by the Board of Directors in relation to services rendered and it does not take into account the employee's performance to be rendered in the later years up to the retirement and the gratuity is a vested benefit when the employee reaches retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the date of the statement of financial position on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of the retirement gratuities payable. Past service costs are recognised immediately in profit or loss.

Such retirement gratuities payable are classified as current liabilities where it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

(d) Share-based payments

The Group operates an equity-settled, share-based compensation plan, whereby shares or options to subscribe for shares of the Company are granted to eligible Directors and employees of the Group based on certain financial and performance criteria and such conditions as it may deem fit. The cost of the equity-settled transactions is recognised as an expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options at the date of the grant and the number of share options to be vested by the vesting date.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.16 EMPLOYEE BENEFITS (CONTINUED)

(d) Share-based payments (continued)

The equity amount is recognised in capital reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

5.17 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.

(c) Foreign operations

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

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.18 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Sale of hardware equipment

Revenue from sale of hardware equipment is recognised when significant risks and rewards of ownership of the hardware equipment has been transferred to the customer and where the Group does not have continuing managerial involvement over the hardware equipment, which coincides with delivery of hardware equipment and acceptance by customers.

(b) Software licensing

Revenue from software licensing fee is recognised based on a fixed percentage of the revenue generated by the licensee of the licensed software in accordance with the licensing agreement.

(c) Provision of information technology solutions

Revenue from provision of information technology solutions that are short duration is recognised when the services are rendered. Regular maintenance revenue is recognised evenly over the period in which the maintenance services are carried out and revenue in respect of subsequent periods is deferred and shown as deferred maintenance income under current liabilities until it is earned.

(d) Rental income

Rental income is recognised on an accrual basis unless collectibility is in doubt.

(e) Interest income

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

5.19 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 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.19 OPERATING SEGMENTS (CONTINUED)

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 combined 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 operating 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 period in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

5.20 EARNINGS PER SHARE

(a) Basic

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

(b) Diluted

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

5.21 FAIR VALUE MEASUREMENTS

The fair value of an asset or a liability, except for share-based payment and lease transactions is determined based 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:

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5.21 FAIR VALUE MEASUREMENTS (CONTINUED)

(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.

6. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

6.1 NEW MFRSS ADOPTED DURING THE CURRENT FINANCIAL PERIOD

The Group and Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial period.

TITLE	EFFECTIVE DATE
Amendments to MFRS 10 *Consolidated Financial Statements: Investment Entities*	1 January 2014
Amendments to MFRS 12 *Disclosure of Interest in Other Entities: Investment Entities*	1 January 2014
Amendments to MFRS 127 *Separate Financial Statements (2011): Investment Entities*	1 January 2014
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accountings*	1 January 2014
IC Interpretation 21 *Levies*	1 January 2014

There is no material effect upon adoption of the above, Amendments to MFRSs and IC interpretation during the current financial period.

6. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (CONTINUED)

6.2 NEW MFRSS THAT HAVE BEEN ISSUED, BUT ONLY EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2015

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 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements 2010–2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements 2011 – 2013 Cycle*	1 July 2014
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	1 January 2016
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to 2012-2014 Cycle*	1 January 2016
Amendments to MFRS 101 *Disclosure Initiative*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
MFRS 15 *Revenue from Contracts with Customers*	1 January 2017
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018

The Group is in the process of assessing the impact of implementing these Standards, as the effects would only be observable in future financial years.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

7.1 CHANGES IN ESTIMATES

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

7.2 CRITICAL JUDGEMENT MADE IN APPLYING ACCOUNTING POLICIES

The following are judgments made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amount recognised in the financial statements:

(a) Contingent liabilities

The determination and treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies, after consulting legal counsel for litigation cases and internal and external experts to the Company for matters in the ordinary course of business.

(b) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

7.3 KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Further details are disclosed in Note 13 to the financial statements.

(b) Software development costs

The software development costs are carried at cost less amortisation and are assessed for any indication that the asset may be impaired. This requires an estimation of the value-in-use of the software development costs. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the software development and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Impairment loss would be recognised in profit or loss when the estimated value-in-use is lower than the carrying amount of the software development costs.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

7.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(d) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of the receivables.

(e) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where actual results differ from the original estimates, the differences would impact the carrying amount of inventories.

(f) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 37 to the financial statements.

(g) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on its estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(h) Impairment of investment in subsidiaries

The investment in subsidiaries is assessed for impairment when there is an indication of impairment. Such assessment requires the Directors to make estimates of the recoverable amounts. Impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use. The Directors believe that the estimates of the recoverable amounts are reasonable.

7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

7.3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(i) Fair value measurement

The fair value measurement of the financial and non-financial assets and liabilities of the Group utilises market observable inputs and data as far as possible, where applicable. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique as follows:

(i) Level 1: Quoted price in active markets for identical items (unadjusted);

(ii) Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

(iii) Level 3: Unobservable inputs (i.e. not derived from market data).

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.

8. PROPERTY, PLANT & EQUIPMENT

GROUP 31.3.2015	Balance as at 1.1.2014 RM	Additions RM	Acquisition of subsidiaries (Note 32) RM	Written off RM	Disposals RM	Depreciation charge for the financial period RM	Balance as at 31.3.2015 RM
CARRYING AMOUNT							
Furniture and fittings	107,824	3,618	46,046	(16,629)	-	(60,071)	80,788
Office equipment	80,656	49,477	24,528	-	(2,711)	(43,626)	108,324
Computer software and hardware	929,955	402,742	1,292,001	(2,200)	(3,337)	(709,277)	1,909,884
Renovations	599,967	-	27,449	-	(16,506)	(134,505)	476,405
Motor vehicles	-	-	20,800	-	-	(1,000)	19,800
	1,718,402	455,837	1,410,824	(18,829)	(22,554)	(948,479)	2,595,201

	As at 31.3.2015		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Furniture and fittings	385,043	(304,255)	80,788
Office equipment	342,871	(234,547)	108,324
Computer software and hardware	4,786,455	(2,876,571)	1,909,884
Renovations	1,029,382	(552,977)	476,405
Motor vehicles	20,800	(1,000)	19,800
	6,564,551	(3,969,350)	2,595,201

8. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

GROUP 31.12.2013	Balance as at 1.1.2013 RM	Additions RM	Written off RM	Disposals RM	Depreciation charge for the financial period RM	Balance as at 31.12.2013 RM
CARRYING AMOUNT						
Furniture and fittings	101,416	50,765	-	(1)	(44,356)	107,824
Office equipment	92,354	21,709	-	(2)	(33,405)	80,656
Computer software and hardware	1,067,253	261,410	-	(1)	(398,707)	929,955
Renovations	708,355	4,950	(8,853)	-	(104,485)	599,967
	1,969,378	338,834	(8,853)	(4)	(580,953)	1,718,402

	As at 31.12.2013		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Furniture and fittings	405,116	(297,292)	107,824
Office equipment	277,650	(196,994)	80,656
Computer software and hardware	3,294,124	(2,364,169)	929,955
Renovations	1,041,727	(441,760)	599,967
	5,018,617	(3,300,215)	1,718,402

COMPANY 31.3.2015	Balance as at 1.1.2014 RM	Additions RM	Written off RM	Depreciation charge for the financial period RM	Balance as at 31.3.2015 RM
CARRYING AMOUNT					
Furniture and fittings	22,977	-	-	(6,021)	16,956
Office equipment	8,777	17,849	-	(5,820)	20,806
Computer software and hardware	17,226	27,001	(4)	(10,634)	33,589
Renovations	4,950	-	-	(619)	4,331
	53,930	44,850	(4)	(23,094)	75,682

	As at 31.3.2015		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Furniture and fittings	27,647	(10,691)	16,956
Office equipment	31,368	(10,562)	20,806
Computer software and hardware	126,141	(92,552)	33,589
Renovations	4,950	(619)	4,331
	190,106	(114,424)	75,682

8. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

COMPANY 31.12.2013	Balance as at 1.1.2013 RM	Additions RM	Written off RM	Disposals RM	Depreciation charge for the financial period RM	Balance as at 31.12.2013 RM
CARRYING AMOUNT						
Furniture and fittings	611	25,654	-	(1)	(3,287)	22,977
Office equipment	1,019	9,449	-	(2)	(1,689)	8,777
Computer software and hardware	16,083	10,653	-	-	(9,510)	17,226
Renovations	9,961	4,950	(8,853)	-	(1,108)	4,950
	27,674	50,706	(8,853)	(3)	(15,594)	53,930

	As at 31.12.2013		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Furniture and fittings	27,647	(4,670)	22,977
Office equipment	13,519	(4,742)	8,777
Computer software and hardware	118,052	(100,826)	17,226
Renovations	4,950	-	4,950
	164,168	(110,238)	53,930

Included in property, plant and equipment of the Group are assets under hire purchase with a carrying amount of RM224,934.

9. SOFTWARE DEVELOPMENT EXPENDITURE

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
At cost:				
At beginning of financial period/year	26,592,859	23,742,328	24,504,672	21,224,921
Acquisition of subsidiaries (Note 32)	853,450	-	-	-
Additions	1,143,975	2,850,531	1,808,804	3,279,751
At end of financial period/year	28,590,284	26,592,859	26,313,476	24,504,672
Accumulated amortisation:				
At beginning of financial period/year	(13,170,012)	(10,722,535)	(13,296,038)	(10,959,359)
Amortisation during the financial period/year	(2,983,627)	(2,447,477)	(2,545,195)	(2,336,679)
At end of financial period/year	(16,153,639)	(13,170,012)	(15,841,233)	(13,296,038)
Carrying amount	**12,436,645**	**13,422,847**	**10,472,243**	**11,208,634**

10. INVESTMENT IN SUBSIDIARIES

	Company	
	31.3.2015 RM	31.12.2013 RM
Unquoted shares, at cost	15,506,927	13,677,404

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Interest in equity held by Company 2015 %	Company 2013 %	Subsidiaries 2015 %	Subsidiaries 2013 %	Principal Activities
DIRECT SUBSIDIARIES						
Microlink Systems Sdn Bhd (MSSB)	Malaysia	100	100	-	-	Provision of information technology solutions to the financial services industry and dealing in related products
Microlink Worldwide Sdn Bhd (MWSB)	Malaysia	100	100	-	-	Provision of information technology solutions to the financial services industry and dealing in related products
CA IT Infrastructure Solutions Sdn Bhd (CAIT)	Malaysia	100	100	-	-	Trading and marketing of computer software programs and products
Microlink Innovation Sdn Bhd (MISB)	Malaysia	60	60	-	-	Provision of research and development for information technology solutions to the financial services industry
Microlink Software Sdn Bhd (MSB)	Malaysia	51	51	-	-	Provision of consultancy services in supporting and modifying banking software
CSA Servis (M) Sdn Bhd (CSAS)	Malaysia	100	-	-	-	Investment holding and provision of computer repair and maintenance service, supply of computer parts, accessories, computers and peripherals
Omesti Innovation Lab (Malaysia) Sdn Bhd (OIL)	Malaysia	100	-	-	-	Development of information and multimedia technology and provision of deployment services
PT Microlink Indonesia (PTMI) @	Republic of Indonesia	80	-	20*	-	Provision of information technology solutions to the financial services industry and dealing in related products
@Subsidiary not audited by BDO *Interests held by MSSB						
SUBSIDIARIES OF CSAS						
Formis Systems & Technology Sdn Bhd (FST)	Malaysia	-	-	100	-	Distribution and maintenance of computer hardware and software
First Solution Sdn Bhd (FIRST)	Malaysia	-	-	100	-	Distribution and maintenance of computer hardware and software
Applied Business Systems Sdn Bhd (ABS)	Malaysia	-	-	100	-	Distribution and maintenance of computer equipment and software

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) The details of the subsidiaries are as follows (continued):

Name of Company	Country of Incorporation	Interest in equity held by Company 2015 %	Company 2013 %	Subsidiaries 2015 %	Subsidiaries 2013 %	Principal Activities
SUBSIDIARIES OF CSAS (CONTINUED)						
Formis Computer Services Sdn Bhd (FCS)	Malaysia	-	-	100	-	Provision of computer technology and maintenance of computer hardware and software
Formis Advanced Systems Sdn Bhd (FAS)	Malaysia	-	-	60	-	Provision of information technology services in terms of hardware, software, consultancy and maintenance
SUBSIDIARY JOINTLY OWNED BY MWSB AND MSSB						
PT Microlink Indonesia (PTMI) @	Republic of Indonesia	-	-	-	100	Provision of information technology solutions to the financial services industry and dealing in related products

@ Subsidiary not audited by BDO
* Interests held by MSSB

(b) Other details of investments in subsidiaries:

Acquisition of subsidiaries (Note 32)	On 1 August 2014, the Company acquired 100% equity-interest in CSAS for a purchase consideration of RM1,829,521. On 1 November 2014, CSAS acquired 100% equity-interest in ABS, FST, FCS and FIRST, and 60% equity-interest in FAS for a total purchase consideration of RM43,193,044. On 3 December 2014, the Company acquired 100% equity-interest in OIL for a cash consideration of RM1.00.
Internal re-organisation	On 30 March 2015, MWSB transferred 200,000 ordinary shares of USD1.00 each representing 80% of the total issued and paid-up share capital of PTMI, a subsidiary owned by MWSB and MSSB, to the Company for a cash consideration of RM1.00 (Re-Organisation). The Re-Organisation is part of the Group's intention to streamline and realign the businesses to achieve greater operational efficiency.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) The subsidiaries of the Group that have material non-controlling interests (NCI) are as follows:

	MISB	Other individual immaterial subsidiaries	Total
31.3.2015			
NCI percentage of ownership interest and voting interest	40%	-	
Carrying amount of NCI (RM)	(1,487,753)	98,929	(1,388,824)
Profit allocated to NCI (RM)	(586,153)	(10,268)	(596,421)
31.12.2013			
NCI percentage of ownership interest and voting interest	40%	-	
Carrying amount of NCI (RM)	(901,599)	51,728	(849,871)
Profit allocated to NCI (RM)	(515,054)	10,424	(504,630)

(d) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	MISB RM	Other individual immaterial subsidiaries RM	Total RM
31.3.2015			
ASSETS & LIABILITIES			
Non-current assets	5,131,713	40,548	5,172,261
Current assets	70,882	743,852	814,734
Current liabilities	(8,921,978)	(569,765)	(9,491,743)
Net (liabilities)/assets	(3,719,383)	214,635	(3,504,748)
RESULTS			
Revenue	191,644	3,130,423	3,322,067
Loss for the financial period	(1,465,382)	(34,608)	(1,499,990)
Total comprehensive loss	(1,465,382)	(34,608)	(1,499,990)
Cash flow from:			
– operating activities	(9,938)	55,300	45,362
– investing activities	2,025	2,656	4,681
Net (decrease)/increase in cash and cash equivalents	(7,913)	57,956	50,043

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (Continued)

	MISB RM	Other individual immaterial subsidiaries RM	Total RM
31.12.2013			
ASSETS & LIABILITIES			
Non-current assets	6,779,801	-	6,779,801
Current assets	71,818	425,843	497,661
Current liabilities	(9,105,617)	(320,276)	(9,425,893)
Net (liabilities)/assets	(2,253,998)	105,567	(2,148,431)
RESULTS			
Revenue	-	2,313,361	2,313,361
(Loss)/Profit for the financial year	(1,287,634)	21,273	(1,266,361)
Total comprehensive (loss)/income	(1,287,634)	21,273	(1,266,361)
Cash flow from:			
– operating activities	(10,914)	(78,100)	(89,014)
– investing activities	1,616	5,501	7,117
Net decrease in cash and cash equivalents	(9,298)	(72,599)	(81,897)

11. INVESTMENT IN A JOINT VENTURE

	Group	
	31.3.2015 RM	31.12.2013 RM
Unquoted equity shares, at cost	374,060	374,060
Share of post acquisition reserves	(374,060)	(374,060)
	-	-

11. INVESTMENT IN A JOINT VENTURE (CONTINUED)

The details of the joint venture are as follows:

Name of Company	Country of Incorporation	Effective equity interest		Principal Activities
		2015 %	2013 %	
Microlink Middle East Company for Programming and Computer Corporation LLC	The State of Kuwait	50	50	Provision of information technology solutions to the financial services industry and dealing in related products

12. OTHER INVESTMENT

	Group	
	31.3.2015 RM	31.12.2013 RM
NON-CURRENT		
Financial assets at fair value through profit or loss – Transferable club membership	105,000	-

(a) Information on the fair value hierarchy is disclosed in Note 36(d) to the financial statements.

(b) Information on financial risks of other investment is disclosed in Note 37 to the financial statements.

13. GOODWILL

	Group	
	31.3.2015 RM	31.12.2013 RM
As at 1 January 2014/2013	2,817,852	2,817,852
Add: Goodwill arising from the acquisition of subsidiaries (Note 32)	15,655,518	-
As at 31 March 2015/31 December 2013	18,473,370	2,817,852

13. GOODWILL (CONTINUED)

Goodwill arising from the business combinations has been allocated to the Group's CGUs which have been identified according to business segments as follows:

	Group	
	31.3.2015 RM	31.12.2013 RM
Business Performance Services	6,287,245	2,817,852
Distribution	7,486,215	-
Services and systems integration	4,699,910	-
	18,473,370	2,817,852

The recoverable amount of goodwill for current financial period and previous financial year was determined based on value-in-use. Value-in-use was determined by discounting the future cash flows to be generated from the continuing use of the CGUs based on the following assumptions:

(i) Cash flow projections on financial budgets approved by the management covering a five- (5) year period;

(ii) Terminal value computed based on the cash flows in the fifth year without incorporating any growth rate;

(iii) Discount rate used for cash flow discounting purposes is based on the weighted average cost of capital of the Group extracted from Bloomberg. The discount rate applied to the cash flow projections was 4.70% (2013: 9.50%) per annum;

(iv) Long-term growth rate of 5.00% determined based on past performance of the subsidiaries; and

(v) Profit margins are projected based on historical profit margin achieved.

14. DEFERRED TAX

(a) The deferred tax (assets) and liabilities are made up of the following:

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
At end of the financial period/year	481,621	293,550	229,000	-
Acquisition of subsidiaries (Note 32)	293,782	-	-	-
Recognised in profit or loss (Note 28)	(139,770)	188,071	117,854	229,000
At end of financial period/year	635,633	481,621	346,854	229,000

14. DEFERRED TAX (CONTINUED)

(a) The deferred tax (assets) and liabilities are made up of the following (continued):

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Presented after appropriate offsetting:				
Deferred tax assets, net	(303,032)	-	-	-
Deferred tax liabilities, net	938,665	481,621	346,854	229,000
At end of financial period/year	635,633	481,621	346,854	229,000

(b) The components and movements of deferred tax assets and deferred tax liabilities during the financial period/year prior to offsetting are as follows:

	Group		Company	
DEFERRED TAX ASSETS	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
At end of the financial period/year	-	-	-	-
Recognised in profit or loss:				
Other temporary difference	303,032	-	-	-
At end of financial period/year	303,032	-	-	-

	Group		Company	
DEFERRED TAX LIABILITIES	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
At end of the financial period/year	481,621	293,550	229,000	-
Acquisition of subsidiaries (Note 32)	293,782	-	-	-
Recognised in profit or loss:				
Property, plant and equipment	(184,420)	(42,520)	1,112	2,000
Software development expenditure	347,682	230,591	116,742	227,000
At end of financial period/year	938,665	481,621	346,854	229,000

14. DEFERRED TAX (CONTINUED)

(c) The components of deferred tax as at the end of the reporting period comprise tax effect of:

	Group		Company	
DEFERRED TAX LIABILITIES	**31.3.2015 RM**	**31.12.2013 RM**	**31.3.2015 RM**	**31.12.2013 RM**
Other temporary difference	(303,032)	-	-	-
DEFERRED TAX LIABILITIES				
Property, plant and equipment	389,767	280,405	3,112	2,000
Software development expenditure	548,898	201,216	343,742	227,000
	938,665	481,621	346,854	229,000

(d) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	31.3.2015 RM	**31.12.2013 RM**
Unutilised tax losses	11,860,281	16,121,967
Unabsorbed capital allowances	5,712,595	6,792,395
Other deductible temporary differences	707,840	236,494
	18,280,716	23,150,856

Deferred tax assets of certain subisidiaries have not been recognised as it is not probable that taxable profit of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The deductible temporary differences do not expire under current tax legislation.

15. INVENTORIES

	Group	
	31.3.2015 RM	**31.12.2013 RM**
AT COST		
Hardware and software	11,674,761	-
Hardware maintenance parts and spares	116,707	-
	11,791,468	-

Cost of inventories of the Group recognised as an expense during the financial period amounted to RM59,286,774 (2013: RM Nil).

16. TRADE & OTHER RECEIVABLES

		Group		Company	
		31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Trade receivables	16.1	55,956,419	7,516,277	8,316,288	12,716,011
Other receivables, deposits and prepayments	16.2	7,978,294	1,915,964	48,275,444	6,832,626
Amount due from contract customers	16.3	887,895	2,239,812	-	-
		64,822,608	11,672,053	56,591,732	19,548,637

16.1 TRADE RECEIVABLES

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Trade receivables	56,045,687	7,621,527	8,365,527	16,125,517
Less: Impairment losses	(89,268)	(105,250)	(49,239)	(3,409,506)
	55,956,419	7,516,277	8,316,288	12,716,011

(a) The trade credit terms of trade receivables granted by the Group and by the Company range from 30 to 90 days (2013: 30 days) from date of invoice. They are recognised at their original amounts which represent their fair values on initial recognition.

(b) Information on financial risks of trade and other receivables is disclosed in Note 37 to the financial statements.

(c) The ageing analysis of trade receivables of the Group and of the Company are as follows:

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Neither past due nor impaired	38,884,411	6,586,948	327,825	5,788,663
Past due, not impaired 1 to 30 days	7,209,000	159,242	261,234	1,909,929
31 to 60 days	4,396,984	134,270	16,678	256,866
More than 61 days	5,466,024	635,817	7,710,551	4,760,553
	17,072,008	929,329	7,988,463	6,927,348
Past due and impaired	89,268	105,250	49,239	3,409,506
	56,045,687	7,621,527	8,365,527	16,125,517

16. TRADE & OTHER RECEIVABLES (CONTINUED)

16.1 TRADE RECEIVABLES (CONTINUED)

(c) The ageing analysis of trade receivables of the Group and of the Company are as follows (continued):

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group and the Company.

None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial period.

Receivables that are past due but not impaired

Based on past experience, the Group and the Company are satisfied that no impairment is necessary in respect of these trade receivables. These trade receivables are substantially from companies with good collection track record and no recent history of default. These trade receivables are unsecured in nature.

Receivables that are past due and impaired

Trade receivables of the Group and of the Company that are past due and impaired at the end of the reporting period are as follows:

	Group		Company	
	Individually impaired		Individually impaired	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Trade receivables, gross	89,268	105,250	49,239	3,409,506
Less: Impairment losses	(89,268)	(105,250)	(49,239)	(3,409,506)
	-	-	-	-

(d) The reconciliation of movement in the impairment losses on trade receivables are as follows:

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
At beginning of the financial period/year	105,250	220,400	3,409,506	-
Charge for the financial period/year	22,588	105,250	-	3,409,506
Impairment loss no longer required	(38,570)	(220,400)	(3,360,267)	-
	89,268	105,250	49,239	3,409,506

16. TRADE & OTHER RECEIVABLES (CONTINUED)

16.1 TRADE RECEIVABLES (CONTINUED)

(d) The reconciliation of movement in the impairment losses on trade receivables are as follows (continued):

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(e) The currency profile of trade receivables of the Group and of the Company is in the respective functional currencies of the Group and of the Company entities except for those amounts disclosed in Note 37 to the financial statements.

16.2 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Other receivables	1,224,914	151,327	25,300	1,151
Deposits	652,649	318,956	38,600	38,600
Prepayments	6,035,996	1,445,681	82,677	86,982
Amount owing by subsidiaries	-	-	48,128,867	6,705,893
Amount owing by related companies	64,735	-	-	-
	7,978,294	1,915,964	48,275,444	6,832,626

(a) Amounts owing by subsidiaries and related companies are in respect of advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(b) The currency profile of other receivables, deposits and prepayments of the Group and of the Company is in the respective functional currencies of the Group entities except for those amounts disclosed in Note 37 to the financial statements.

16.3 AMOUNT DUE FROM/(TO) CONTRACT CUSTOMERS

	Group	
	31.3.2015 RM	31.12.2013 RM
Contract costs incurred plus recognised profits	30,858,677	35,405,229
Progress billings received and receivables	(29,990,485)	(33,220,873)
Amount due from contract customers	868,192	2,184,356
Represented by: Amount due from contract customers	887,895	2,239,812
Amount due to contract customers (Note 25)	(19,703)	(55,456)
	868,192	2,184,356

17. CASH & BANK BALANCES

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Cash and bank balances	14,120,262	5,897,008	447,509	327,492
Deposits with licensed banks	15,011,737	4,391,072	-	-
Short term money market deposits	1,250,321	12,614,090	147,474	204,631
	30,382,320	22,902,170	594,983	532,123

(a) Included in deposits with licensed banks of the Group are amounts of RM7,181,788 (2013: RM3,194,528) pledged to licensed banks for credit facilities granted to the Group as disclosed in Note 22 to the financial statements.

(b) Information on financial risks of cash and bank balances is disclosed in Note 37 to the financial statements.

(c) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Ringgit Malaysia	29,108,832	21,747,282	594,983	532,123
Indonesia Rupiah	14,926	17,197	-	-
US Dollar	1,258,562	1,137,691	-	-
	30,382,320	22,902,170	594,983	532,123

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Cash and bank balances	14,120,262	5,897,008	447,509	327,492
Deposits with licensed banks	15,011,737	4,391,072	-	-
Short term money market deposits	1,250,321	12,614,090	147,474	204,631
	30,382,320	22,902,170	594,983	532,123
Less: Deposits pledged to licensed banks	(7,181,788)	(3,194,528)	-	-
	23,200,532	19,707,642	594,983	532,123

18. SHARE CAPITAL

	Group and Company			
	31.3.2015		31.12.2013	
	Number of shares	RM	Number of shares	RM
AUTHORISED:				
Ordinary shares of RM0.10 each	250,000,000	25,000,000	250,000,000	25,000,000
ISSUED AND FULLY PAID:				
At beginning of financial period/year	138,050,600	13,805,060	129,097,000	12,909,700
Issued pursuant to ESOS	302,300	30,230	8,953,600	895,360
At end of financial period/year	138,352,900	13,835,290	138,050,600	13,805,060

During the financial period, the issued and paid-up share capital of the Company was increased from RM13,805,060 to RM13,835,290 by way of issuance of 302,300 new ordinary shares of RM0.10 each for cash pursuant to the ESOS as disclosed in Note 18.1 to the financial statements.

The owners of the parent 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.

18.1 EMPLOYEES' SHARE OPTION SCHEME (ESOS)

Under the Company's ESOS which became effective on 27 April 2006, options to subscribe for unissued new ordinary shares of RM0.10 each in the Company were granted to eligible directors and employees of the Company and its subsidiaries.

The salient features of the ESOS are as follows:

(a) the total number of shares which may be made available shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS;

(b) the ESOS shall be in force for a period of 5 years from the effective implementation date of the ESOS, subject to any extension or renewal for a further period of 5 years commencing on the day after the date of expiry of the original 5 year period;

(c) the new shares to be allotted and issued upon the exercise of the options will upon such allotment and issuance, rank pari passu with the then existing issued and paid-up share capital except that these new shares will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date of which is prior to the date of allotment of the new shares and will be subject to all the provisions of the Articles of Association relating to the transfer, transmission and otherwise of the shares; and

(d) the exercise price of the ESOS options shall be:

(i) the issue price of RM0.49 for options that were granted prior to the listing; or

(ii) based on the weighted average market price of the Company's shares for the 5 market days immediately preceding the date on which the options are granted subject to a discount of not more than 10%, for options that are granted subsequent to the listing.

18. SHARE CAPITAL (CONTINUED)

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

(d) the exercise price of the ESOS options shall be (continued):

On 21 April 2011, the Option Committee approved the extension of the existing ESOS for a period of 5 years commencing on 27 April 2011.

On 27 October 2014, the remaining 34,800 unexercised options were terminated.

The share options granted, exercised, lapsed and terminated during the financial period are as follows:

		Number of options over ordinary shares of RM0.10 each				
Exercisable from:	Exercise price per ordinary share (RM)	Balance as at 1.1.2014	Granted	Exercised	Terminated	Balance as at 31.3.2015
27.4.2007	0.49	218,900	-	(184,100)	(34,800)	-
27.4.2008	0.46	57,100	-	(57,100)	-	-
26.8.2012	0.13	61,100	-	(61,100)	-	-

		Number of options over ordinary shares of RM0.10 each				
Exercisable from:	Exercise price per ordinary share (RM)	Balance as at 1.1.2013	Granted	Exercised	Lapsed	Balance as at 31.12.2013
27.4.2007	0.49	3,489,500	-	(3,197,600)	(73,000)	218,900
27.4.2008	0.46	132,200	-	(75,100)	-	57,100
26.8.2012	0.13	5,840,900	-	(5,680,900)	(98,900)	61,100

19. RESERVES

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
NON-DISTRIBUTABLE:				
Share premium	5,056,173	4,961,985	5,056,173	4,961,985
Equity compensation reserve	-	13,236	-	13,236
Translation reserve	(155,479)	(157,134)	-	-
DISTRIBUTABLE:				
Retained earnings	31,547,966	26,317,915	24,770,552	24,917,404
	36,448,660	31,136,002	29,826,725	29,892,625

19. RESERVES (CONTINUED)

Share premium

Share premium arose from the premium on the issuance of new ordinary shares and is not distributable by way of cash dividends.

Equity compensation reserve

Equity compensation reserve relates to the share options granted to employees and is made up of the cumulative value of services received from employees recorded since grant of share options.

Translation reserve

Translation difference arising from translation of foreign controlled entities are taken to the translation reserve account as described in the accounting policies.

20. BORROWINGS

	Group	
	31.3.2015 RM	31.12.2013 RM
CURRENT LIABILITIES		
Hire purchase creditors (Note 21)	128,818	-
Bankers' acceptance (Note 22)	2,500,000	-
Trust receipts (Note 22)	7,781,408	-
Factoring loan (Note 22)	2,999,195	-
	13,409,421	-
NON-CURRENT LIABILITIES		
Hire purchase creditors (Note 21)	67,301	-
	13,476,722	-
TOTAL BORROWINGS		
Hire purchase creditors (Note 21)	196,119	-
Bankers' acceptance (Note 22)	2,500,000	-
Trust receipts (Note 22)	7,781,408	-
Factoring loan (Note 22)	2,999,195	-
	13,476,722	-

Information on financial risks and remaining maturities of borrowings is disclosed in Note 37 to the financial statements.

All borrowings are denominated in RM.

21. HIRE PURCHASE CREDITORS

	Group	
	31.3.2015 RM	31.12.2013 RM
Minimum hire purchase payments:		
– not later than one year	136,850	-
– later than one year and not later than five years	68,425	-
	205,275	-
Less: Future interest charges	(9,156)	-
	196,119	-
Repayable as follows:		
Current liabilities		
– not later than one year	128,818	-
Non-current liabilities		
– later than one year and not later than five years	67,301	-
	196,119	-

The hire purchase liabilities are secured by a corporate guarantee from the ultimate holding company.

22. BANKERS' ACCEPTANCE, TRUST RECEIPTS AND FACTORING LOAN

The bankers' acceptance, trust receipts and factoring loan are secured by the following:

(a) Pledge of Deposits as disclosed in Note 17 to the financial statements;

(b) Corporate guarantee from the ultimate holding company.

23. PROVISION FOR GRATUITY OBLIGATIONS

The Group operates an unfunded defined Retirement Benefit Scheme (the Scheme) for the eligible employees. Under the Scheme, eligible employees are entitled to post-employment benefits calculated by reference to their length of service and earnings.

23. PROVISION FOR GRATUITY OBLIGATIONS (CONTINUED)

The amount recognised in the statement of financial position is as follows:

	Group	
	31.3.2015 RM	31.12.2013 RM
Present value of unfunded defined benefit obligations	1,490,163	-
Analysed as follows:		
Non-current liabilities		
– later than one year and not later than five years	376,112	-
– more than five years	1,114,051	-
	1,490,163	-

The movements during the financial period in the amount recognised in the statement of financial position in respect of the Scheme are as follows:

	Group	
	31.3.2015 RM	31.12.2013 RM
Balance as at 1 January 2014/2013	-	-
Acquisition of subsidiaries (Note 32)	1,490,163	-
Balance as at 31 March 2015/31 December 2013	1,490,163	-

The key assumptions used in the computation of the provision are as follows:

Discount rate	4.41%
Salary increase rate	3.25%
Annual voluntary resignation rate	40.00% – 75.00%
Mortality rate	Malaysia Ordinary Insured 1999–2003
Normal retirement age	60 years

24. REDEEMABLE PREFERENCE SHARES

During the financial period, the Company issued 35,193,044 redeemable preference shares of RM1.00 each pursuant to a Shares Sales Arrangement with Omesti Berhad (fka Formis Resources Berhad), Omesti Holdings Berhad (fka Formis Holdings Berhad), and Man Yau Holdings Berhad for the acquisition of subsidiaries as disclosed in Note 32 to the financial statements.

The salient features of the RPS are as follows:

(a) tenure of the RPS is five (5) years commencing from and including the issuance date;

24. REDEEMABLE PREFERENCE SHARES (CONTINUED)

(b) the RPS are not convertible to ordinary shares of the Company;

(c) acumulative preferential coupon interest rate with range from 3.0% to 9.5% per annum based on the nominal value of RPS, to be payable annually in arrears;

The salient features of RPS are as follows (continued):

(d) RPS at the option of the Company be redeemed, in whole or in part, at any time during the tenure of the RPS at 100% of their nominal amount plus accrued interest up to the redemption date to the RPS holder prior to the redemption of RPS. All RPS which are redeemed by the Company shall be cancelled immediately and cannot be resold or reissued.

25. TRADE & OTHER PAYABLES

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
TRADE PAYABLES				
Third parties	12,551,845	1,761,311	-	-
Amount due to contract customers (Note 16.3)	19,703	55,456	-	-
	12,571,548	1,816,767	-	-
OTHER PAYABLES				
Amount owing to ultimate holding company	669,923	-	631,971	-
Amount owing to related companies	-	18,970	-	-
Other payables	1,790,860	404,642	134,722	4,160
Unearned income	14,430,197	2,279,071	1,944,491	97,993
Accruals	11,423,123	4,352,964	202,928	989,965
	28,314,103	7,055,647	2,914,112	1,092,118
	40,885,651	8,872,414	2,914,112	1,092,118

(a) Trade payables comprise amounts outstanding for trade purchases. The credit period granted to the Group for trade purchases ranged from 30 days to 90 days (31.12.2013: 30 days).

(b) Unearned revenue represents advance billings for contracts works and maintenance services.

(c) Information on financial risks of trade and other payables is disclosed in Note 37 to the financial statements.

25. TRADE & OTHER PAYABLES (CONTINUED)

(d) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	31.3.2015 RM	31.12.2013 RM	31.3.2015 RM	31.12.2013 RM
Ringgit Malaysia	40,095,047	8,838,666	2,914,112	1,092,118
US Dollar	754,354	-	-	-
Indonesian Rupiah	36,250	33,748	-	-
	40,885,651	8,872,414	2,914,112	1,092,118

26. REVENUE

	Group		Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Projects	26,482,994	37,103,585	-	-
Maintenance income:				
– third parties	20,110,399	12,747,729	-	-
– subsidiaries	-	-	4,292,474	5,196,987
Sales of hardware equipment	72,426,017	33,295	-	-
Small scale projects and integration charges:				
– third parties	18,640,828	2,296,034	-	-
– subsidiaries	-	-	2,037,150	2,498,148
Software licensing fee charged to subsidiaries	-	-	5,676,225	12,558,248
	137,660,238	52,180,643	12,005,849	20,253,383

27. PROFIT BEFORE TAX

	Group		Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
PROFIT BEFORE TAX IS ARRIVED AT AFTER CHARGING:				
Amortisation of software development expenditure	2,983,627	2,447,477	2,545,195	2,336,679
Auditors' remuneration:				
– current period/year	126,330	111,950	38,000	40,000
– under provision in prior year	50	3,000	-	-
Depreciation of property, plant and equipment	948,479	580,953	23,094	15,594
Directors' remuneration:				
– fees	381,625	227,733	345,625	191,733
– other emoluments	2,001,325	1,843,465	1,545,325	1,501,465
Impairment losses on:				
– trade and other receivables	22,588	105,250	-	-
– amount owing by a subsidiary	-	-	-	3,409,506
Interest expense on:				
– redeemable preference shares	287,088	-	-	-
– letter of credit and trust receipts	256,059	-	-	-
– factoring loan	48,360	-	-	-
– hire purchase	6,750	-	-	-
Inventories written off	145,575	-	-	-
Loss on disposal of property, plant and equipment	13,383	-	-	-
Property, plant and equipment written off	18,829	8,853	4	8,853
Rental of:				
– premises	1,629,670	844,156	135,000	97,266
– equipment	128,690	-	-	-
Net unrealised loss on foreign currency exchange	6,632	-	-	-
AND CREDITING:				
Gain on disposal of property, plant and equipment	-	3,162	-	1,309
Interest income	686,817	530,823	13,628	28,335
Rental income of premises	-	-	46,500	18,000
Reversal of impairment loss no longer required on:				
- trade and other receivables	38,570	220,400	-	-
- amount owing by a subsidiary	-	-	3,360,267	-
Net realised gain on foreign currency exchange	2,654	69,855	-	21

28. TAX EXPENSE

	Group		Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Current tax expense based on profit for the financial period/year	2,462,919	185,251	1,140,093	9,108
Under/(Over)-provision in prior year	118,236	(21,699)	(871)	(15,775)
	2,581,155	163,552	1,139,222	(6,667)
Deferred tax (Note 14)				
Relating to origination on and reversal of temporary differences	(139,770)	188,071	117,854	229,000
	2,441,385	351,623	1,257,076	222,333

The Malaysian income tax is calculated at the statutory tax rate of twenty-five percent (25%) (31.12.2013: 25%) of the estimated taxable profit for the fiscal year.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Tax at Malaysian statutory tax rate of 25% (31.12.2013: 25%)	2,800,899	3,782,375	1,309,702	2,083,034
Tax effects in respect of:				
Non-deductible expenses	851,704	1,477,937	791,719	889,656
Income not subject to tax	(111,919)	(50,824)	(843,474)	(4,582)
Pioneer status tax-exempt income	-	(2,730,000)	-	(2,730,000)
Utilisation of previously unrecognised deferred tax assets	(1,217,535)	(2,106,166)	-	-
	2,323,149	373,322	1,257,947	238,108
Under/(Over)provision of tax payable in prior years	118,236	(21,699)	(871)	(15,775)
	2,441,385	351,623	1,257,076	222,333

29. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

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

	Group	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Profit attributable to equity holders of the parent	9,358,633	15,282,508
Weighted average number of ordinary shares in issue	138,050,600	129,097,000
Effect of:		
– ESOS	194,737	8,953,600
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	138,245,337	138,050,600
Basic earnings per ordinary share (sen)	6.77	11.07

(b) Diluted earnings per ordinary share

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

	Group	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Profit attributable to equity holders of the parent	9,358,633	15,282,508
Weighted average number of ordinary shares applicable to basic earnings per ordinary share	138,245,337	138,050,600
Effect of dilution:		
– ESOS	-	105,182
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	138,245,337	138,155,782
Diluted earnings per ordinary share (sen)	6.77	11.06

During the current financial period, diluted earnings per ordinary share equals basic earnings per ordinary share as there is no dilutive effect arising from ESOS upon its termination.

30. DIVIDENDS

Dividend paid since the end of the previous financial year was as follows:

	Group and Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
In respect of financial year ended 31 December 2012:		
Interim tax exempt dividend of 1 sen per ordinary share, paid on 29 March 2013	-	1,331,526
Final tax exempt dividend of 3 sen per ordinary share, paid on 20 May 2013	-	4,008,318
In respect of financial year ended 31 December 2013:		
First interim tax exempt dividend of 3 sen per ordinary share, paid on 27 December 2013	-	4,138,461
Second interim tax exempt dividend of 3 sen per ordinary share, paid on 21 March 2014	4,141,818	-
	4,141,818	9,478,305

The Directors do not recommend the payment of any final dividend in respect of the current financial period.

31. EMPLOYEE BENEFITS

	Group		Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Salaries, wages, bonuses and allowances	13,311,631	8,409,644	3,108,678	3,221,960
Defined contribution plan	1,730,934	967,468	433,364	372,181
Other employee benefits	2,965,982	1,386,587	988,660	745,184
	18,008,547	10,763,699	4,530,702	4,339,325

Included in the employee benefits of the Group and of the Company are remuneration paid to Executive Directors amounting to RM2,001,325 (2013: RM1,843,465) and RM1,545,325 (2013: RM1,501,465) respectively.

31. EMPLOYEE BENEFITS (CONTINUED)

The remuneration of Directors and other key management personnel during the financial period are as follows:

	Group		Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Directors' fees	381,625	227,733	345,625	191,733
Salaries, and other short term employee benefits:				
Directors	2,001,325	1,843,465	1,545,325	1,501,465
Other key management personnel	763,080	520,857	454,452	-
	2,764,405	2,364,322	1,999,777	1,501,465

32. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of CSAS, ABS, FST, FCS, FSSB and FAS

As disclosed in Note 10 to the financial statements, on 1 August 2014, the Company acquired 100% equity-interest in CSAS for a cash consideration of RM1,829,521 and regarded CSAS as a subsidiary of the Group on that date.

Subsequently, on 28 November 2014, CSAS completed the acquisition of 100% equity-interest in ABS, FST, FCS and FSSB, and 60% of equity-interest in FAS ("Transferred Group"). CSAS regarded the Transferred Group as subsidiaries on that date.

Goodwill of RM12,186,125 is derived from the synergies between the principal activities of the subsidiaries acquired and the existing Group. The Group acquired these subsidiaries in order to strengthen its position as a leading provider of information technology services in Malaysia and to enlarge the range of products it could offer to its customers.

32. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of CSAS, ABS, FST, FCS, FSSB and FAS (continued)

The fair value of the assets acquired and the liabilities assumed from the acquisition of subsidiaries are as follows:

	2015	
	Acquiree's carrying amount RM	Fair value recognised on acquisition RM
Property, plant and equipment	1,391,642	1,391,642
Software development expenditure	853,450	853,450
Other investment	105,000	105,000
Inventories	8,111,433	8,111,433
Trade receivables	36,618,310	36,618,310
Other receivables	41,567,095	41,567,095
Current tax assets	609,687	609,687
Cash and bank balances	18,686,260	18,686,260
Trade payables	(17,994,813)	(17,994,813)
Other payables	(41,621,951)	(41,621,951)
Provision for gratuity obligations	(1,490,163)	(1,490,163)
Borrowings	(13,549,067)	(13,549,067)
Current tax liabilities	(99,193)	(99,193)
Deferred tax liabilities	(293,782)	(293,782)
Net identifiable assets acquired	32,893,908	32,893,908
Less: Non-controlling interests		(57,468)
Group's share of net assets		32,836,440
Add: Goodwill on acquisition of subsidiaries		12,186,125
Total cost of acquisition		45,022,565
Less : Cost of investment by way of issuance of redeemable preference shares (Note 24)		(35,193,044)
		9,829,521
Less : Cash and cash equivalents of subsidiaries acquired		(18,686,260)
Net cash inflow of the Group on acquisition		8,856,739

(b) Acquisition of OIL

On 3 December 2014, the Company acquired 100% equity-interest in OIL and regarded CSAS as a subsidiary of the Group on that date.

Goodwill of RM3,469,393 is derived from the synergies between the principal activity of the OIL and the existing Group. The Group views that the acquisition of OIL will strengthen its base from OIL's multi-talented human capital and enhance the software development initiatives. It will also complement the Group's application capabilities in the financial services industry.

32. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of OIL (continued)

The fair value of the assets acquired and the liabilities assumed from the acquisition of the subsidiary are as follows:

	2015	
	Acquiree's carrying amount RM	Fair value recognised on acquisition RM
Property, plant and equipment	19,182	19,182
Other receivables	444,418	444,418
Cash and bank balances	721	721
Other payables	(3,933,713)	(3,933,713)
Net identifiable liabilities acquired	(3,469,392)	(3,469,392)
Group's share of net liabilities		(3,469,392)
Add: Goodwill on acquisition of OIL		3,469,393
Total cost of acquisition		1
Less: Cash and cash equivalents of subsidiary acquired		(721)
Net cash inflow of the Group on acquisition		720

33. 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 entities.

The Company has controlling related party relationship with its subsidiaries, ultimate and immediate holding companies and their subsidiaries.

33. RELATED PARTY DISCLOSURES

(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 period:

	Group	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Management fee charged by ultimate holding company	529,000	-
Redeemable preference shares issued to ultimate holding company	35,193,044	-
Interest charged by ultimate holding company	287,088	
Sales of goods and services to related companies	13,394,542	-
Purchases of good and services to related companies	38,334	-
Software licensing fee and integration charges charged by subsidiary of the ultimate holding company	-	1,327,529

	Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Management fee charged by ultimate holding company	345,000	-
Management fee charged to subsidiaries	603,255	206,605
Maintenance income charged to subsidiaries	4,292,474	5,196,987
Small scale projects and integration charged to subsidiaries	2,037,150	2,498,148
Software licensing fee charged to subsidiaries	5,676,225	12,558,248
Software licensing fee and integration charged by subsidiaries	1,150,358	469,872
Rental of premises charged to a subsidiary	46,500	18,000

34. OPERATING SEGMENTS

Microlink Solutions Berhad and its subsidiaries in Malaysia are principally engaged in distribution, maintenance and development of computer hardware and software and consultancy for computer software solutions.

(a) Business segments

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, which require different business and marketing strategies. The reportable segments are summarised as follows:

i) Business Performance Services

Provision of business performance improvement related services.

34. OPERATING SEGMENTS (CONTINUED)

(a) Business segments (continued)

ii) Distribution

Distribution and maintenance of computer equipment and software.

iii) Services & Systems Integration (SI)

Provision of computer technology and the maintenance of computer hardware and software.

The accounting policies of business segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements.

31.3.2015	Business Performance Services RM	Distribution RM	Services & Systems Integration RM	Elimination RM	Consolidation RM
REVENUE					
External sales	37,258,607	99,348,449	8,275,691	(7,222,509)	137,660,238
Inter-segment sales	11,459,673	-	-	(11,459,673)	-
Total	48,718,280	99,348,449	8,275,691	(18,682,182)	137,660,238
RESULTS					
Segment results	9,068,381	3,513,672	1,462,130	(2,929,146)	11,115,037
Interest expense	-	(308,914)	(289,343)	-	(598,257)
Interest income	496,926	147,517	42,374	-	686,817
Tax expense	(1,783,320)	14,604	(672,669)	-	(2,441,385)
Profit for the financial period					8,762,212
OTHER INFORMATION					
Segment assets	118,325,312	83,598,646	59,122,099	(118,456,920)	142,589,137
Segment liabilities	68,322,251	53,685,781	50,575,962	(78,889,983)	93,694,011
Capital expenditure	281,808	90,535	83,494	-	455,837
Depreciation of property, plant and equipment	555,775	327,219	65,485	-	948,479
Software development expenditure	1,808,804	-	105,000	(769,829)	1,143,975
Amortisation of software	2,948,937	-	34,690	-	2,983,627
Non-cash expenses other than depreciation and amortisation	-	**145,575**	-	-	**145,575**

34. OPERATING SEGMENTS (CONTINUED)

(a) Business segments (continued)

31.12.2013	Business Performance Services RM	Distribution RM	Services & Systems Integration RM	Elimination RM	Consolidation RM
REVENUE					
External sales	51,546,057	6,905,593	-	(6,271,007)	52,180,643
Inter-segment sales	18,136,415	-	-	(18,136,415)	-
Total	69,682,472	6,905,593	-	(24,407,422)	52,180,643
RESULTS					
Segment results	6,479,290	(547,183)	-	8,666,571	14,598,678
Interest income	512,005	18,818	-	-	530,823
Tax expense	(351,623)	-	-	-	(351,623)
Profit for the financial period					14,777,878
OTHER INFORMATION					
Segment assets	84,737,395	7,321,649	-	(38,611,220)	53,447,824
Segment liabilities	33,951,899	5,665,927	-	(30,261,193)	9,356,633
Capital expenditure	302,185	36,649	-	-	338,834
Depreciation of property, plant and equipment	497,985	82,968	-	-	580,953
Software development expenditure	3,279,751	-	-	(429,220)	2,850,531
Amortisation of software development expenditure	3,604,885	-	-	(1,157,408)	2,447,477

(b) Geographical segments

	Revenue RM	Segment Assets RM	Segment Liabilities RM	Capital Expenditure RM	Depreciation and Amortisation RM
2015					
Local	131,351,021	142,191,274	93,639,245	455,837	3,928,995
Overseas	6,309,217	397,863	54,766	-	3,111
Total	137,660,238	142,589,137	93,694,011	455,837	3,932,106
2013					
Local	51,490,887	51,561,875	9,148,447	338,834	3,022,520
Overseas	689,756	1,885,949	208,186	-	5,910
	52,180,643	53,447,824	9,356,633	338,834	3,028,430

35. OPERATING LEASE COMMITMENTS

As at 31 March 2015, the Group and the Company have operating lease commitments in respect of rental of premises as follows:

	Future minimum Lease payments			
	Group		Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Not later than one (1) year	1,090,691	572,976	-	108,000
Later than one (1) year and not later than five (5) years	821,924	82,853	-	27,000
	1,912,615	655,829	-	135,000

36. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that the Group would be able to continue as a going concern whilst maximising return to shareholder through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group and the Company monitor and review their capital structure based on their business and operating requirements.

There are no changes made on the capital management, policies and procedures of the Group and the Company during the financial period.

(b) Categories of financial instruments

GROUP 31.3.2015	Fair Value through Profit or Loss RM	Loans & Receivables RM	Total RM
FINANCIAL ASSETS			
Trade and other receivables, net of prepayments	-	58,786,612	58,786,612
Cash and bank balances	-	30,382,320	30,382,320
Other investment	105,000	-	105,000
	105,000	89,168,932	89,273,932

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Categories of financial instruments (continued)

GROUP 31.3.2015	Other Financial Liabilities RM	Total RM
FINANCIAL LIABILITIES		
Trade and other payables, net of unearned income	26,455,454	26,455,454
Borrowings	13,476,722	13,476,722
Redeemable preference shares	35,193,044	35,193,044
	75,125,220	75,125,220

GROUP 31.12.2013	Loans & Receivables RM	Total RM
FINANCIAL ASSETS		
Trade and other payables, net of unearned income	10,226,372	10,226,372
Cash and bank balances	25,902,170	25,902,170
	36,128,542	36,128,542

	Other Financial Liabilities RM	Total RM
FINANCIAL LIABILITIES		
Trade and other payables, net of unearned income	6,593,343	6,593,343

COMPANY 31.3.2015	Loans & Receivables RM	Total RM
FINANCIAL ASSETS		
Trade and other payables, net of unearned income	56,509,055	56,509,055
Cash and bank balances	594,983	594,983
	57,104,038	57,104,038

36. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Categories of financial instruments (continued)

COMPANY 31.3.2015	Other Financial Liabilities RM	Total RM
FINANCIAL LIABILITY		
Other payables, net of unearned income	969,621	969,621
Redeemable preference shares	35,193,044	35,193,044
	36,162,665	36,162,665

COMPANY 31.12.2013	Loans & Receivables RM	Total RM
FINANCIAL ASSETS		
Trade and other receivables, net of prepayments	19,461,655	19,461,655
Cash and bank balances	532,123	532,123
	19,993,778	19,993,778

	Other Financial Liabilities RM	Total RM
FINANCIAL LIABILITY		
Other payables, net of unearned income	994,125	994,125

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

i. Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables, borrowings and redeemable preference shares are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

36. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Methods and assumptions used to estimate fair value (continued)

The fair values of financial assets and financial liabilities are determined as follows (continued):

ii. Obligations under hire purchase

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowings at the end of the reporting period.

iii Financial corporate guarantee

The Company provide corporate guarantees to financial institutions for credit facilities granted to a subsidiary. Accordingly, the fair values of the such corporate guarantees given to a subsidiary for banking facilities are negligible.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

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).

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 valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below.

Financial Instrument	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
FINANCIAL ASSETS			
Transferable golf club memberships	Counter party quotation	Comparable market value of similar financial assets	The higher the market rate, the higher the fair value of the other investments

36. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair value hierarchy (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
31.03.2015 GROUP	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
FINANCIAL ASSETS										
Financial assets at fair value through profit or loss										
– Transferable golf club memberships	-	-	105,000	105,000	-	-	-	-	105,000	105,000
FINANCIAL LIABILITIES										
Other Financial Liabilities										
– Hire purchase creditors	-	-	-	-	-	196,119	-	196,119	196,119	196,119

37. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse effects on the financial performance of the Group.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to foreign currency risk, credit risk, liquidity and cash flow risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities.

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities which are not denominated in the functional currency of the Group are as follows:

GROUP AS AT 31.3.2015	US Dollar RM	Indonesia Rupiah RM	Total RM
FINANCIAL ASSETS			
Trade and other receivables	98,018	3,455	101,473
Cash and bank balances	1,258,562	14,926	1,273,488
	1,356,580	18,381	1,374,961
FINANCIAL LIABILITIES			
Trade and other payables	754,354	36,250	790,604

AS AT 31.12.2013	US Dollar RM	Indonesia Rupiah RM	Brunei Dollar RM	Total RM
FINANCIAL ASSETS				
Trade and other receivables	-	21,816	111,756	133,572
Cash and cash equivalents	1,137,691	17,197	-	1,154,888
	1,137,691	39,013	111,756	1,288,460
FINANCIAL LIABILITIES				
Trade and other payables	-	33,748	-	33,748

37. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

i) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

		Increase/(Decrease) Group 1.1.2014 to 31.3.2015 (15 months) RM	Increase/(Decrease) Group 1.1.2013 to 31.12.2013 (12 months) RM
PROFIT AFTER TAX			
USD/RM	- strengthen by 10% (2013: 10%)	45,000	85,000
	- weaken by 10% (2013: 10%)	(45,000)	(85,000)
IDR/RM	- strengthen by 10% (2013: 10%)	(2,000)	-
	- weaken by 10% (2013: 10%)	2,000	-
BND/RM	- strengthen by 10% (2013: 10%)	-	8,000
	- weaken by 10% (2013: 10%)	-	(8,000)

(ii) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group and the Company. Credit risk with respect to trade and other receivables is managed through the application of credit approvals, credit limits and monitoring procedures. Credit is extended to the customers based on careful evaluation of the customers' financial condition and credit.

Other financial assets of the Group and the Company with exposure to credit risk include deposits which are placed with banks and financial institutions with good standing.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 16 to the financial statements. Deposits with licensed banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16 to the financial statements.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iii) 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 bank balances deemed adequate to finance the Group's activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

GROUP AS AT 31.3.2015	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FINANCIAL LIABILITIES				
Trade and other payables	40,885,651	-	-	40,885,651
Bankers' acceptance	2,500,000	-	-	2,500,000
Factoring loan	2,999,185	-	-	2,999,185
Hire purchase creditors	128,818	67,301	-	196,119
Trust receipts	7,781,408	-	-	7,781,408
Redeemable preference share	-	46,630,783	-	46,630,783
Total undiscounted financial liabilities	54,295,062	46,698,084	-	100,993,146
AS AT 31.12.2013				
FINANCIAL LIABILITIES				
Trade and other payables	8,872,414	-	-	8,872,414
Total undiscounted financial liabilities	8,872,414	-	-	8,872,414

37. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

Analysis of financial instruments by remaining contractual maturities (continued)

The table below summarises the maturity profile of the Group's liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations: (continued)

COMPANY AS AT 31.3.2015	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
FINANCIAL LIABILITIES				
Trade and other payables	2,914,112	-	-	2,914,112
Redeemable preference share	-	46,630,783	-	46,630,783
Total undiscounted financial liabilities	2,914,112	46,630,783	-	49,544,895
AS AT 31.12.2013				
FINANCIAL LIABILITIES				
Trade and other payables	1,092,118	-	-	1,092,118
Total undiscounted financial liabilities	1,092,118	-	-	1,092,118

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments would fluctuate because of changes in market interest rates.

The Group's exposure to risk of changes in interest rates is related primarily to the Group's cash deposits placed with licensed banks and borrowings. Interest rate exposure arising from the Group's borrowings is managed through the use of fixed and floating rates debts. The Group does not use derivative financial instruments to hedge these risks.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iv) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

GROUP AS AT 31.3.2015	Note	Weighted average effective interest rate %	Within 1 year RM	1–2 years RM	2–3 years RM	3–4 years RM	4–5 years RM	More than 5 years RM	Total RM
FIXED RATES									
Fixed deposits	17	2.77	15,011,737	-	-	-	-	-	15,011,737
Hire purchase creditors	21	8.69	196,119	-	-	-	-	-	196,119
Redeemable preference shares	24	6.50	-	-	-	-	35,193,044	-	35,193,044
FLOATING RATES									
Short term money market deposits	17	3.86	1,250,321	-	-	-	-	-	1,250,321
Bankers' acceptance	22	5.07	2,500,000	-	-	-	-	-	2,500,000
Trust receipts	22	6.95	7,781,408	-	-	-	-	-	7,781,408
Factoring loan	22	6.61	2,999,195	-	-	-	-	-	2,999,195

GROUP AS AT 31.12.2013	Note	Weighted average effective interest rate %	Within 1 year RM	1–2 years RM	2–3 years RM	3–4 years RM	4–5 years RM	More than 5 years RM	Total RM
FIXED RATES									
Fixed deposits	17	2.30	4,391,072	-	-	-	-	-	4,391,072
FLOATING RATES									
Short term money market deposits	17	2.69	12,614,090	-	-	-	-	-	12,614,090

37. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iv) Interest rate risk (continued)

COMPANY AS AT 31.3.2015	Note	Weighted average effective interest rate %	Within 1 year RM	1–2 years RM	2–3 years RM	3–4 years RM	4–5 years RM	More than 5 years RM	Total RM
FIXED RATES									
Redeemable preference shares	24	6.50	-	-	-	-	35,193,044	-	35,193,044
FLOATING RATES									
Short term money market deposits	17	3.98	147,474	-	-	-	-	-	147,474
COMPANY AS AT 31.12.2013									
FLOATING RATES									
Short term money market deposits	17	2.81	204,631	-	-	-	-	-	204,631

37. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONTINUED)

(iv) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) loss for the financial period by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates, remain constant.

	31.3.2015		31.12.2013	
	Profit After Tax		Profit After Tax	
GROUP	100 bp increase RM	100 bp decrease RM	100 bp increase RM	100 bp decrease RM
Floating rate instruments	(90,977)	90,977	94,606	(94,606)
COMPANY				
Floating rate instruments	1,106	(1,106)	1,535	(1,535)

38. CONTINGENT LIABILITIES

	Company	
	31.3.2015 RM	31.12.2013 RM
Corporate guarantees given to banks for credit facilities granted to a subsidiary — secured	8,500,000	6,500,000

39. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Other than those disclosed elsewhere in the financial statements, the significant events during the financial period are as follows:

(a) The acquisition of CSAS, which was announced on 1 August 2014, has been completed as at 1 August 2014. During the financial period, the interest held was 100%. The Company regards CSAS as a subsidiary and consolidated the financial results commenced from 1 August 2014 (date of acquisition).

39. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (CONTINUED)

(b) On 12 June 2014, the Company (collectively known as the Buyer), entered into a Share Sales Agreement (SSA) with Omesti Berhad (formerly known as Formis Resources Berhad) (Omesti), Omesti Holdings Berhad (formerly known as Formis Holdings Berhad) (OHB), and Man Yau Holdings Berhad (MYHB) for the acquisition of their shareholdings in the following subsidiaries for total purchase consideration of RM43,193,044 partly by cash and partly via issuance of redeemable preference shares in the Company:-

(i) 100% equity interest in ABS held by the Omesti;

(ii) 100% equity interest in FST held by the Omesti;

(iii) 100% equity interest in FCS held by OHB;

(iv) 100% equity interest in FIRST held by OHB;

(v) 60% equity interest in FAS held by MYHB.

On 1 November 2014, the acquisition was completed and the above companies were regarded as subsidiaries of CSAS on that date.

40. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period can be analysed as follows:

	Group		Company	
	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM	1.1.2014 to 31.3.2015 (15 months) RM	1.1.2013 to 31.12.2013 (12 months) RM
Total retained earnings of the Company and its subsidiaries				
– realised	28,921,099	25,413,358	25,117,406	25,146,404
– unrealised	(650,465)	(409,240)	(346,854)	(229,000)
	28,270,634	25,004,118	24,770,552	24,917,404
Add:				
Consolidation adjustments	3,277,332	1,313,797	-	-
Total retained earnings	31,547,966	26,317,915	24,770,552	24,917,404

Analysis of Shareholdings
As at 15 July 2015

ORDINARY SHARES OF RM0.10 EACH

Authorised Share Capital	:	RM24,550,000.00 divided into 245,500,000 Ordinary Shares of RM0.10 each
Issued and Paid-up Share Capital	:	RM15,215,290.00 divided into 152,152,900 Ordinary Shares of RM0.10 each
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	1 vote per Ordinary Share
Number of Shareholders	:	404

DISTRIBUTION OF ORDINARY SHAREHOLDERS

ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 15 JULY 2015

SIZE OF HOLDINGS	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	18	4.46	646	0.00
100 to 1,000 shares	70	17.33	50,578	0.03
1,001 to 10,000 shares	188	46.53	1,003,600	0.66
10,001 to 100,000 shares	97	24.01	3,463,694	2.28
100,001 to less than 5% of issued shares	28	6.93	27,402,100	18.01
5% and above of issued shares	3	0.74	120,232,282	79.02
Total	**404**	**100.00**	**152,152,900**	**100.00**

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 15 JULY 2015

	Name	No. of Shares Held	%
1	Affin Hwang Nominees (Tempatan) Sdn Bhd HDM Capital Sdn Bhd for Omesti Holdings Berhad	70,000,000	46.01
2	M & A Nominee (Tempatan) Sdn Bhd Insas Credit & Leasing Sdn Bhd for Omesti Holdings Berhad	30,794,700	20.24
3	AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Omesti Holdings Berhad	19,437,582	12.78
4	HSBC Nominees (Tempatan) Sdn Bhd Exempt An for Credit Suisse AG (SG-CLT-T-OS PR)	4,000,000	2.63
5	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Citaglobal Sdn Bhd	3,800,000	2.50
6	CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Siew Booy (MY0267)	2,551,900	1.68
7	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Siew Booy (D18)	2,267,800	1.49
8	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Willie	2,219,400	1.46

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS (CONTINUED)

ACCORDING TO THE RECORD OF DEPOSITORS AS AT 15 JULY 2015 (CONTINUED)

	Name	No. of Shares Held	%
9	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Mohamad Taufik Bin Haji Omar (M&A)	1,718,200	1.13
10	Lim Tien Sim	1,615,000	1.06
11	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Tiu Wan	1,510,000	0.99
12	Lim Lucy @ Lim Kim Chee	1,223,000	0.80
13	AmSec Nominees (Tempatan) Sdn Bhd KGI Fraser Securities Pte Ltd for Alwin Kumar Magimay (46129)	783,500	0.51
14	Yap Eng Huai	726,000	0.48
15	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Chia Mong Tet (CEB)	586,700	0.39
16	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jaganath Derek Steven Sabapathy	472,000	0.31
17	Citigroup Nominees (Asing) Sdn Bhd Exempt An For OCBC Securities Private Limited (Client A/C-NR)	444,200	0.29
18	Wong Siew Len	420,000	0.28
19	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Chai Beng (8124431)	413,100	0.27
20	Cartaban Nominees (Tempatan) Sdn Bhd Standard Chartered Bank Singapore for BMO Spore Branch Local Client	340,000	0.22
21	Affin Hwang Nominees (Asing) Sdn Bhd Exempt An For Phillip Securities (Hong Kong) Ltd (Clients' Account)	314,900	0.21
22	AmSec Nominees (Tempatan) Sdn Bhd KGI Fraser Securities Pte Ltd for Dharmendra A/L Magasvaran (45559)	280,000	0.18
23	Yong Cheng Lian	270,000	0.18
24	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chew Lai Har	251,500	0.17
25	Mohamad Rauff Bin Nabi Bax	210,000	0.14
26	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kevin Goh Pang Yuen	200,000	0.13
27	Tan Leng Mooi	196,300	0.13
28	HSBC Nominees (Asing) Sdn Bhd Exempt An For Morgan Stanley & Co. LLC (Client)	179,000	0.12
29	Kee E-Lene	159,000	0.10
30	Yap Cheng Peck	142,600	0.09
	Total	**147,526,382**	**96.96**

SUBSTANTIAL ORDINARY SHAREHOLDERS

ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 15 JULY 2015

		No. of Shares Held			
	Name	Direct Interest	%	Deemed Interest	%
1	Omesti Holdings Berhad (formerly known as Formis Holdings Berhad) (OHB)	120,232,282	79.02	-	-
2	Omesti Berhad (formerly known as Formis Resources Berhad) (Omesti)	-	-	120,232,282[(1)]	79.02
3	Red Zone Development Sdn Bhd (RZD)	-	-	120,232,282[(2)]	79.02
4	Monteiro Gerard Clair	50,000	0.03	120,232,282[(3)]	79.02
5	Wong Kit-Leong	-	-	120,232,282[(3)]	79.02
6	Raymond Tan	51,000	0.03	120,232,282[(3)]	79.02
7	Dato' Mah Siew Kwok	-	-	120,232,282[(4)]	79.02

DIRECTORS' INTERESTS IN ORDINARY SHARES IN THE COMPANY

ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 15 JULY 2015

		No. of Shares Held			
	MICROLINK SOLUTIONS BERHAD	Direct Interest	%	Deemed Interest	%
1	Yong Kar Seng Peter	-	-	-	-
2	Monteiro Gerard Clair	50,000	0.03	120,232,282[(3)]	79.02
3	Tai Keat Chai	-	-	-	-
4	Martin Chu Leong Meng	-	-	-	-

DIRECTORS' INTERESTS IN THE RELATED COMPANY

AS AT 15 JULY 2015

		No. of Ordinary Shares Held			
	OMESTI — ORDINARY SHARES	Direct Interest	%	Deemed Interest	%
1	Monteiro Gerard Clair	1,729,500	0.45	68,960,300[(5)]	17.78
2	Yong Kar Seng Peter	5,250,000	1.35	-	-

DIRECTORS' INTERESTS IN THE RELATED COMPANY

AS AT 15 JULY 2015

		No. of Warrants 2013/2018 Held			
	OMESTI — WARRANTS 2013/2018	Direct Interest	%	Deemed Interest	%
1	Monteiro Gerard Clair	40,000	0.05	20,382,500[(5)]	24.52

Notes:

(1) Deemed interest by virtue of OHB being a wholly-owned subsidiary of Omesti pursuant to Section 6A of the Companies Act, 1965 (the Act).

(2) Deemed interest by virtue of its substantial interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.

(3) Deemed interest by virtue of his substantial interest in RZD, which in turn owns 17.78% equity interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.

(4) Deemed interest by virtue of his substantial interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.

(5) Deemed interest by virtue of his substantial interest in RZD pursuant to Section 6A of the Act.

REDEEMABLE PREFERENCE SHARES OF RM0.01 EACH (RPS)

Authorised Share Capital	:	RM450,000.00 divided into 45,000,000 RPS
Issued and Paid-up Share Capital	:	RM351,930.44 divided into 35,193,044 RPS
Class of Shares	:	RPS
Voting Rights	:	The RPS holder shall not have the right to vote or to move or second any resolution at any general meeting of the Company except on any proposal that adversely affects the rights of the RPS as follows: (a) capital reduction of the Company; (b) winding up or liquidation of the Company; (c) variation of rights attached to the RPS; and (d) issuance of further shares ranking in priority to or pari passu with the RPS (unless consented to in writing by 75% of the RPS holder). In any such case, a holder shall have one (1) vote for each RPS held. Any holder may demand a poll at a general meeting of the Company on a resolution on which that holder may vote.
Number of Shareholders	:	1

DISTRIBUTION OF RPS HOLDERS

ACCORDING TO STATISTICAL SUMMARY OF THE REGISTER OF RPS AS AT 15 JULY 2015

SIZE OF HOLDINGS	No. of RPS Holders	% of RPS Holders	No. of RPS Held	% of Issued Capital
Less than 100 RPS	-	-	-	-
100 to 1,000 RPS	-	-	-	-
1,001 to 10,000 RPS	-	-	-	-
10,001 to 100,000 RPS	-	-	-	-
100,001 to less than 5% of issued RPS	-	-	-	-
5% and above of issued RPS	1	100.00	35,193,044	100.00
Total	**1**	**100.00**	**35,193,044**	**100.00**

LIST OF RPS HOLDERS

ACCORDING TO THE REGISTER OF RPS HOLDERS AS AT 15 JULY 2015

	Name	No. of RPS Held	%
1	Omesti	35,193,044	100.00

SUBSTANTIAL RPS HOLDERS

ACCORDING TO THE REGISTER OF SUBSTANTIAL RPS HOLDERS AS AT 15 JULY 2015

		No. of RPS Held			
	Name	Direct Interest	%	Deemed Interest	%
1	Omesti	35,193,044	100.00	-	-
2	RZD	-	-	35,193,044[1]	100.00
3	Monteiro Gerard Clair	-	-	35,193,044[2]	100.00
4	Wong Kit-Leong	-	-	35,193,044[2]	100.00
5	Raymond Tan	-	-	35,193,044[2]	100.00
6	Dato' Mah Siew Kwok	-	-	35,193,044[3]	100.00

DIRECTORS' INTERESTS IN RPS IN THE COMPANY

ACCORDING TO THE REGISTER OF DIRECTORS' RPS HOLDINGS AS AT 15 JULY 2015

		No. of RPS Held			
	MICROLINK SOLUTIONS BERHAD	Direct Interest	%	Deemed Interest	%
1	Yong Kar Seng Peter	-	-	-	-
2	Monteiro Gerard Clair	-	-	35,193,044[2]	100.00
3	Tai Keat Chai	-	-	-	-
4	Martin Chu Leong Meng	-	-	-	-

Notes:

[1] Deemed interest by virtue of its substantial interest in Omesti pursuant to Section 6A of the Act.

[2] Deemed interest by virtue of his substantial interest in RZD, which in turn owns 17.78% equity interest in Omesti pursuant to Section 6A of the Act.

[3] Deemed interest by virtue of his substantial interest in Omesti pursuant to Section 6A of the Act.

Other Compliance Information

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Save for the options exercised pursuant to the Company's Employees' Share Option Scheme (ESOS) which was terminated on 27 October 2014 as disclosed on page 28 of this Annual Report, the Company has not issued any options, warrants or convertibles during the financial period under review. No options and shares were granted to the Directors and Senior Management during the financial period. The aggregate maximum allocation of options to the Directors and Senior Management was 50% of the total ESOS granted while the actual percentage of ESOS granted to them was 7.1% of the total ESOS granted since commencement of the ESOS.

The Long-Term Incentive Plan (LTIP) which was implemented on 27 October 2014 in place of the ESOS, is the only scheme that is in existence during the financial period from 1 January 2014 to 31 March 2015.

No LTIP awards were granted to the Directors and eligible persons during the financial period under review.

NON-STATUTORY AUDIT FEES

A non-statutory audit fee of RM153,000.00 was paid/payable to the External Auditors for the financial period from 1 January 2014 to 31 March 2015.

MATERIAL CONTRACTS

Save as disclosed below, during the financial period under review, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving the interest of its Directors or Major Shareholders of the Group and of the Company which were still subsisting as at the end of the financial period under review or which were entered into since the end of the previous financial year:

(i) On 3 April 2014, Microlink Solutions Berhad (MSB) entered into a conditional Heads of Agreement with Omesti Berhad (formerly known as Formis Resources Berhad) (Omesti), Omesti Holdings Berhad (formerly known as Formis Holdings Berhad) (OHB) and Man Yau Holdings Berhad (MYHB) (collectively the Vendors) expressing its intention to acquire five (5) identified companies from the Vendors for an aggregate purchase consideration of RM50.00 million.

On 12 June 2014, MSB entered into a conditional Shares Sale Agreement (SSA) with the Vendors for the acquisitions of the following companies for an aggregate purchase consideration of RM50.00 million to be satisfied by way of cash of RM8,000,000.00 and the balance to be satisfied via the issuance of redeemable preference shares of RM0.01 each at 100% of their nominal value:

(a) 7,200,000 ordinary shares of RM1.00 each in Applied Business Systems Sdn Bhd (ABSSB), representing the entire 100% equity interest in ABSSB, from Omesti;

(b) 1,200,000 ordinary shares of RM1.00 each in Formis Systems & Technology Sdn Bhd (FSTSB), representing the entire 100% equity interest in FSTSB, from Omesti;

(c) 4,500,000 ordinary shares of RM1.00 each in Formis Computer Services Sdn Bhd (FCSSB), representing the entire 100% equity interest in FCSSB, from OHB;

(d) 700,002 ordinary shares of RM1.00 each in First Solution Sdn Bhd (FSSB), representing the entire 100% equity interest in FSSB, from OHB; and

(e) 300,000 ordinary shares of RM1.00 each in Formis Advanced Systems Sdn Bhd (FASSB), representing 60% of the issued and paid-up share capital of FASSB, from MYHB. The SSA has been completed in accordance with its terms.

The SSA was completed on 24 December 2014.

The relationship between the Directors or major shareholders of MSB and the Vendors is as follows:

(a) Monteiro Gerard Clair is a common Director and common major shareholder of both Omesti and MSB; and

(b) OHB is a major shareholder of MSB and a wholly-owned subsidiary of Omesti.

(ii) On 11 June 2014, MSB entered into a SSA with Normah Binti Raja Nong Chik (Normah) and Chuah Tai Eu for the acquisition of the entire issued and paid-up share capital of CSA Servis (M) Sdn Bhd (CSAS) comprising 500,000 ordinary shares of RM1.00 each for a total purchase consideration of RM1,829,521.00, comprising a cash consideration of RM1,200,000.00 plus the audited net tangible asset value of CSAS of RM629,521.00. Upon completion of the acquisition, CSAS became a wholly-owned subsidiary of MSB.

Mr Yong Kar Seng Peter (PY) is the Executive Director/Chief Executive Officer of MSB and has no shareholding in MSB. One of the sellers, Normah is the spouse of Peter Yong and Normah is a Director and major shareholder of CSAS.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company has on 29 April 2015, completed the private placement of shares (Private Placement). Pursuant to the Private Placement, an additional 13,800,000 ordinary shares of RM0.10 each (Placement Shares) were issued at the issue price of RM0.50 per Placement Share and cash proceeds of RM6,900,000.00 were raised. The summary of the utilisation of the proceeds is as follows:

	PROPOSED UTILISATION RM'000	ACTUAL UTILISATION RM'000	EXCESS/ (DEFICIT) RM'000
Acquisitions of the entire equity interests in Applied Business Systems Sdn Bhd, Formis Systems & Technology Sdn Bhd, Formis Computer Services Sdn Bhd and First Solution Sdn Bhd and 60% of Formis Advanced Systems Sdn Bhd	5,000	5,000	0
Working capital requirements: • Existing business operations • Business development expenditure and/or capacity expansion initiatives	6,200	1,865	(4,335)
Defrayment of expenses in relation to the Private Placement	300	35	(265)
	11,500	6,900	(4,600)

RECURRENT RELATED PARTY TRANSACTIONS

At the Extraordinary General Meeting of MSB held on 17 October 2014, the Company had obtained the approval of the shareholders for the shareholders' mandate to allow the Company and its subsidiaries (MSB Group) to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties (Recurrent Transactions).

The said mandate is effective from 17 October 2014 until the conclusion of the forthcoming Annual General Meeting of the Company.

In accordance with Paragraph 3.1.5 of the Guidance Note 8 of the ACE Market Listing Requirements, details of the Recurrent Transactions conducted during the mandate period from 17 October 2014 to 31 March 2015 pursuant to the said shareholders' mandate (Mandate) are as follows:

<table>
<tr><th>COMPANIES WITHIN MSB GROUP TRANSACTING WITH RELATED PARTIES</th><th>NATURE OF TRANSACTIONS</th><th>RELATED PARTY</th><th>INTERESTED DIRECTORS / MAJOR SHAREHOLDERS</th><th>AGGREGATE VALUE OF TRANSACTIONS DURING MANDATE PERIOD 17 OCTOBER 2014 TO 31 MARCH 2015 (RM)</th></tr>
<tr><td rowspan="5">MSB Group</td><td>Provision of corporate secretarial, accounting and payroll services by Continuous Network Services Sdn Bhd (CNS) to MSB Group</td><td>CNS (5)</td><td rowspan="5">Interested Director
- Monteiro Gerard Clair (MGC) (1)

Interested Major Shareholders
- OHB (2)
- Omesti
- Wong Kit-Leong (WKL) (1)
- Raymond Tan (RT) (1)
- Dato' Mah Siew Kwok (Dato' Mah) (3)
- Red Zone Development Sdn Bhd (RZD) (4)</td><td>91,176</td></tr>
<tr><td>Supply of network and software solutions, licences, network infrastructure, computer hardware and software and maintenance services by Omesti Group to MSB Group</td><td rowspan="4">Omesti Group</td><td>44,599</td></tr>
<tr><td>Supply of network and software solutions, licences, network infrastructure, computer hardware and software and maintenance services by MSB Group to Omesti Group</td><td>14,306,742</td></tr>
<tr><td>Provision of network connectivity, bandwidth services and project management services in relation to telecommunications by Omesti Group to MSB Group</td><td>66,393</td></tr>
<tr><td>Provision of administrative and management support, training and other related services by Omesti Group to MSB Group</td><td>339,328</td></tr>
</table>

COMPANIES WITHIN MSB GROUP TRANSACTING WITH RELATED PARTIES	NATURE OF TRANSACTIONS	RELATED PARTY	INTERESTED DIRECTORS / MAJOR SHAREHOLDERS	AGGREGATE VALUE OF TRANSACTIONS DURING MANDATE PERIOD 17 OCTOBER 2014 TO 31 MARCH 2015 (RM)
MSB Group	Supply of network and software solutions, network security, storage and network management solutions inclusive of technical/ maintenance services by DGSB Group to MSB Group	Diversified Gateway Solutions Berhad and its subsidiary companies (DGSB Group) [6]	**Interested Director** - MGC [1] **Interested Major Shareholders** - OHB [2] - Omesti - WKL [1] - RT [1] - Dato' Mah [3] - RZD [4]	16,426
	Supply of computer hardware, software and services by MSB Group to DGSB Group			226,220
	Rental of office space at L15-01-02, PJX-HM Shah Tower, No. 16A Persiaran Barat 46050 Petaling Jaya, Selangor, Malaysia measuring approx. 3,385 sq ft from the Related Party for its operations for a term of 3 years with rental payable on monthly basis	PY	**Interested Director** - PY	111,705

NOTES:

[1] MGC, WKL and RT are deemed Major Shareholders of Omesti by virtue of their substantial interest in RZD, which in turn owns 19.09% equity interest in Omesti as at 31 March 2015. By virtue of their deemed interests in Omesti, they are deemed interested in the shares of Omesti's subsidiary companies to the extent the company has an interest. Their direct and indirect interests in Omesti and MSB as at 31 March 2015 are as set out below:

NAME	OMESTI % OF INTEREST		MSB % OF INTEREST	
	DIRECT	INDIRECT	DIRECT	INDIRECT
MGC	0.31	19.09 [a]	-	88.35 [b]
WKL	-	19.09 [a]	-	88.35 [b]
RT	0.04	19.09 [a]	-	88.35 [b]

(a) Deemed interest by virtue of their substantial interest in RZD pursuant to Section 6A of the Companies Act, 1965 (Act).

(b) Deemed interest by virtue of his substantial interest in RZD, which in turn owned 19.09% equity interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.

NOTES (CONT'D):

(2) OHB is a wholly-owned subsidiary of Omesti.

(3) Dato' Mah is a Major Shareholder of Omesti. By virtue of his interests in Omesti, Dato' Mah is deemed interested in the shares of Omesti's subsidiary companies to the extent the company has an interest. Dato' Mah's direct and indirect interests in Omesti and MSB as at 31 March 2015 are as set out below:

NAME OF COMPANY	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	16.57	0.004 [d]
MSB	-	88.35 [c]

(c) Deemed interest by virtue of his substantial interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.

(d) Deemed interest by virtue of interest held by his daughter pursuant to Section 134(12)(c) of the Act.

(4) RZD is a Major Shareholder of Omesti. By virtue of its interests in Omesti, RZD is deemed interested in the shares of Omesti's subsidiary companies to the extent the company has an interest. RZD's direct and indirect interests in Omesti and MSB as at 31 March 2015 are as set out below:

NAME OF COMPANY	% OF INTEREST	
	DIRECT	INDIRECT
Omesti	19.09	-
MSB	-	88.35 [e]

(e) Deemed interest by virtue of its substantial interest in Omesti, the holding company of OHB pursuant to Section 6A of the Act.

(5) CNS is a wholly-owned subsidiary of Omesti. CNS is principally involved in the provision of corporate secretarial, accounting and payroll services.

(6) DGSB is a 53.02% owned subsidiary of OHB as at 31 March 2015. DGSB Group is principally engaged in the business of investment holding whilst its subsidiary companies are involved in the provision of integrated business solutions based on SAP software and in the business of providing networking solutions and management services to both telecommunication and enterprise organisations as well as in the provision of distribution and maintenance of computer networking, network security storage and network management. Omesti is the common major shareholder in both DGSB and MSB.

Notice Of 12th Annual General Meeting

MICROLINK SOLUTIONS BERHAD
(Company No. 620782-P)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the 12th Annual General Meeting of the Company will be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, on Monday, 14 September 2015 at 10.00am for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. **To receive and adopt the Audited Financial Statements for the financial period from 1 January 2014 to 31 March 2015 together with the Reports of the Directors and Auditors thereon.** **RESOLUTION 1**

2. **To approve the payment of Directors' fees amounting to RM345,625 for the financial period from 1 January 2014 to 31 March 2015.** **RESOLUTION 2**

3. **To re-elect Yong Kar Seng Peter who retires pursuant to Article 70 of the Company's Articles of Association and being eligible, has offered himself for re-election.** **RESOLUTION 3**

4. **To re-appoint Messrs BDO as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.** **RESOLUTION 4**

AS SPECIAL BUSINESS:

5. **To consider and if thought fit, pass the following resolution as an Ordinary Resolution:** **RESOLUTION 5**

   AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT subject always to the Companies Act, 1965 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

6. **To consider and if thought fit, pass the following resolution as an Ordinary Resolution:**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE **RESOLUTION 6**

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in Section 2.3 of the Circular to Shareholders dated 18 August 2015 subject to the following:

i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the Act) [but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act]; unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and carry out such acts and actions as they may consider expedient or necessary to give effect to the shareholders' mandate."

7. **To transact any other business of which due notice shall have been given.**

By Order of the Board

LIM SHOOK NYEE [MAICSA No. 7007640]
Company Secretary

Kuala Lumpur
18 August 2015

NOTES:

i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. If the proxy is not a member of the Company, Section 149(1)(b) of the Companies Act, 1965 shall not be applicable. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.

ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA) which is exempted from compliance with provisions of subsection 25A(1) of SICDA.

iii) A member may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, the member shall specify the proportion of his shareholding to be represented by each proxy.

iv) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

v) Only members whose names appear in the Record of Depositors on 8 September 2015 shall be entitled to attend, speak and vote at the Annual General Meeting.

vi) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposed to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

NOTES ON SPECIAL BUSINESS:

i) **Resolution pursuant to Section 132D of the Companies Act, 1965**
For Resolution 5, further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 12th AGM.

ii) **Resolution pertaining to the Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
For Resolution 6, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 18 August 2015 which is dispatched together with the Company's Annual Report 2015.

Statement Accompanying Notice of 12th Annual General Meeting

(PURSUANT TO PARAGRAPH 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

A. Details of the individuals who are standing for re-election as Directors

No individual other than the retiring Director who is standing for re-election is seeking election as Director at the 12th Annual General Meeting.

B. Statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements

The resolution in relation to the authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965, is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last Annual General Meeting (AGM) of the Company held on 26 June 2014. Under the previous mandate, 13,800,000 new ordinary shares of RM0.10 each were issued for cash via private placement. The details and status of the utilisation of the total proceeds of RM6,900,000 from the private placement are set out on page 119 of this Annual Report.

The resolution, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors consider it to be in the best interests of the Company. Any delay arising from and cost involved in convening a general meeting to approve such issuance of shares should be eliminated.

This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

Privacy Notice

Dear Sirs/Madams,

This privacy notice for personal data (**Privacy Notice**) is issued to all shareholders of Microlink Solutions Berhad (**Company, we, us** or **our**), pursuant to the statutory requirements of the Personal Data Protection Act 2010 (**PDPA**).

During the course of your dealings with us, we will collect and process your personal data for purposes, including, to communicate with you, provide administrative assistance to you in the course of you being our shareholder, respond to your enquiries or input, invite you to meetings and events, provide you with notices, documents, information and/or updates relating to us and any matters relating to your involvement in the Board of Directors, for publication and dissemination of your personal data in any circulars, reports, minutes, websites, newsletters, bulletins, brochures, pamphlets or any other materials which may be published and circulated internally or to the general public, to comply with our legal and regulatory obligations (including monitor and where necessary make disclosure of matters relating to your involvement in any shares, debentures, participatory interests, rights, options, transactions and contracts) and other purposes required to operate and maintain our business as set out in our Privacy Policy (collectively referred to as **Purposes**).

We will not disclose any of your personal data to any third party without your consent except to the Company's group of companies (including the Company's subsidiaries, related and/or associated companies), our professional advisers, vendors, suppliers, agents, contractors, service providers, business partners, insurance companies, banks and financial institutions, any governmental agencies, regulatory authorities and/or statutory bodies, within or outside Malaysia, where necessary, for the Purposes mentioned above, to any party who undertakes to keep your personal data confidential, to any person as set out in our Privacy Policy, or to whom we are compelled or required under the law to disclose to. A copy of our Privacy Policy is available on our website at www.microlink.com.my/PP.asp.

It is necessary for us to collect and process your personal data. If you do not provide us with your personal data, or do not consent to this Privacy Notice, we will not be able to effectively provide services to you in connection with or incidental to your role as our shareholder or process your personal data for any of the Purposes, if at all.

We are committed to ensuring that your personal data is stored securely. You have the right to request for access to, request for a copy of and request to update or correct, your personal data held by us. You also have the right at any time to request us to limit the processing and use of your personal data, subject to our right to rely on any statutory exemptions and/or exceptions to collect, use and disclose your personal data.

Your written requests or queries should be addressed to:

Personal Data Protection Officer
Address: 16th Floor KH Tower,
8 Lorong P Ramlee, 50250 Kuala Lumpur.
Tel: +603 2078 4488 Fax: +603 2070 6893
Email: pdpa@omesti.com

By providing your personal data to us, you consent to us processing your personal data in accordance with this Privacy Notice, and you confirm that all personal data provided by you is accurate and complete, and that none of it is misleading or out of date. You will promptly update us in the event of any change to your personal data. .

To the extent that you have provided (or will provide) personal data about your family members, spouse, other dependents (if you are an individual), directors, shareholders, employees, representatives, agents (if you are a corporate entity/an organisation) and/or other individuals, you confirm that you have explained (or will explain) to them that their personal data will be provided to, and processed by, us and you represent and warrant that you have obtained their consent to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

In respect of minors (i.e. individuals under 18 years of age) or individuals not legally competent to give consent, you confirm that you are the parent or guardian or person who has parental responsibility over them or the person appointed by court to manage their affairs or that they have appointed you to act for them, to consent on their behalf to the processing (including disclosure and transfer) of their personal data in accordance with this Privacy Notice.

We reserve the right to update and amend this Privacy Notice or our Privacy Policy from time to time. We will notify you of any amendments to this Privacy Notice or our Privacy Policy via announcements on our website or other appropriate means. If we amend this Privacy Notice or our Privacy Policy, the amendment will only apply to personal data collected after we have posted the revised Privacy Notice or Privacy Policy.

In accordance with Section 7(3) of the PDPA, this Privacy Notice is issued in both English and Bahasa Malaysia. In the event of any inconsistencies or discrepancies between the English version and the Bahasa Malaysia version, the English version shall prevail.

Notis Privasi

Kepada tuan-tuan dan puan-puan,

Notis privasi untuk data peribadi ini (**Notis Privasi**) diberikan kepada semua pemegang saham Microlink Solutions Berhad (**Syarikat, kita** atau **kami**), selaras dengan obligasi statutori di bawah Akta Perlindungan Data Peribadi 2010 (**PDPA**).

Sepanjang masa urusan anda dengan kami, kami akan mengumpul dan memproses data peribadi anda untuk tujuan berkomunikasi dengan anda, memberi bantuan pentadbiran kepada anda, memberi maklum balas terhadap pertanyaan atau input anda, menjemput anda ke mesyuarat dan acara kami, memberi anda notis, dokumen, maklumat dan/atau isu-isu terkini berkaitan dengan kami dan perkara-perkara berhubungan dengan penglibatan anda di Lembaga Pengarah, untuk penerbitan dan pendedahan data peribadi anda di pekeliling, laporan, minit, laman web, surat berita, buletin, brosur, risalah atau media lain yang mungkin diterbitkan dan diedarkan di dalam organisasi kami atau kepada orang awam, untuk memenuhi kewajipan kami dalam mematuhi undang-undang dan peraturan-peraturan (termasuk memantau dan membuat pendedahan tentang perkara-perkara yang berkaitan dengan penglibatan anda dalam apa-apa saham, debentur, kepentingan penyertaan, hak, opsyen, urus niaga dan kontrak), serta tujuan-tujuan lain yang kami perlukan untuk mengendalikan dan mengekalkan perniagaan kami sepertimana yang tertera dalam Polisi Privasi kami (secara kolektifnya dirujuk sebagai **Tujuan-Tujuan**).

Kami tidak akan mendedahkan apa-apa data peribadi anda kepada mana-mana pihak ketiga tanpa kebenaran anda kecuali kepada syarikat-syarikat di dalam kumpulan Syarikat (termasuk subsidiari, syarikat berkaitan dan/atau syarikat bersekutu kami), penasihat profesional, ejen, vendor, pembekal, kontraktor, pembekal perkhidmatan, rakan kongsi perniagaan, syarikat insurans, bank dan institusi kewangan, agensi kerajaan, pihak berkuasa dan/atau badan berkanun, di dalam atau di luar Malaysia, jikalau perlu, bagi Tujuan-Tujuan yang disebut di atas, kepada mana-mana pihak yang berjanji untuk menyimpan data peribadi anda secara sulit, kepada mana-mana pihak sepertimana yang tertera dalam Polisi Privasi kami, atau sekiranya diperlukan di bawah undang-undang. Sesalinan Polisi Privasi kami boleh didapati di laman web kami di www.microlink.com.my/PP.asp.

Kami perlu mengumpul dan menyimpan data peribadi anda. Sekiranya anda tidak memberikan data peribadi anda kepada kami, atau tidak bersetuju dengan Notis Privasi ini, kami mungkin tidak dapat memberikan perkhidmatan secara efektif kepada anda berkaitan atau bersampingan dengan peranan anda sebagai pemegang saham kami atau memproses data peribadi anda bagi Tujuan-Tujuan yang disebut di atas.

Kami akan memastikan data peribadi anda disimpan dengan selamat. Anda mempunyai hak untuk meminta akses kepada, mendapat salinan, mengemaskini atau memperbetulkan data peribadi anda yang disimpan oleh kami. Anda juga mempunyai hak untuk meminta kami menghadkan pemprosesan dan penggunaan data peribadi anda pada bila-bila masa. Walaubagaimana pun, kami mempunyai hak untuk bergantung kepada mana-mana pengecualian dalam mengumpul, mengguna dan mendedah data peribadi anda.

Permintaan atau pertanyaan bertulis anda perlu disampaikan ke alamat di bawah:

Pegawai Perlindungan Data Peribadi
Alamat: 16th Floor KH Tower,
8 Lorong P Ramlee, 50250 Kuala Lumpur.
Telefon: +603 2078 4488   Faks: +603 2070 6893
E-mel: pdpa@omesti.com

Dengan memberikan data peribadi anda kepada kami, anda bersetuju untuk kami memproses data peribadi anda sepertimana yang tertera dalam Notis Privasi ini, dan anda mengesahkan bahawa semua data peribadi yang diberikan oleh anda adalah betul dan lengkap, dan tiada data peribadi yang mengelirukan atau yang belum dikemaskinikan. Anda mesti, dengan segera, mengemaskini data peribadi anda sekiranya terdapat apa-apa perubahan kepada data peribadi yang anda beri kepada kami.

Setakat mana yang anda telah memberikan (atau akan memberikan) data peribadi tentang ahli keluarga, pasangan, tanggungan anda (jikalau anda ialah seorang individu), pengarah, pemegang saham, wakil, ejen (jikalau anda ialah sebuah entiti korporat/organisasi) dan/atau individu lain, anda mengesahkan bahawa anda telah menjelaskan (atau akan menjelaskan) kepada mereka bahawa data peribadi mereka akan didedahkan kepada, dan akan diproses oleh, kami dan anda menyata dan menjamin bahawa anda telah diberi kuasa untuk mendedahkan data peribadi mereka kepada kami dan anda telah memperolehi persetujuan daripada mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Berkenaan dengan individu yang belum mencapai usia dewasa (iaitu individu di bawah umur 18 tahun) atau individu yang tidak mempunyai kompeten untuk memberi persetujuan, anda mengesahkan bahawa anda ialah ibu bapa atau penjaga atau orang yang mempunyai kewajipan terhadap mereka atau orang yang dilantik oleh mahkamah untuk menguruskan urusan mereka atau mereka telah melantik anda untuk mewakili mereka, untuk memberi persetujuan bagi pihak mereka berkenaan dengan pemprosesan (termasuk pendedahan dan pemindahan) data peribadi mereka sepertimana yang tertera dalam Notis Privasi ini.

Kami berhak untuk mengemaskini dan meminda Notis Privasi ini atau Polisi Privasi kami dari semasa ke semasa. Sebarang perubahan atau pemindahan kepada Notis Privasi ini atau Polisi Privasi kami akan dimaklumkan melalui pengumuman di laman web kami atau melalui cara yang bersesuaian. Jika kami meminda Notis Privasi ini atau Polisi Privasi kami, pindaan itu hanya akan berkuat-kuasa untuk data peribadi yang dikumpul selepas kami memaparkan Notis Privasi atau Polisi Privasi kami yang terpinda.

Mengikut Seksyen 7(3) PDPA, Notis Privasi ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan digunapakai.

Form of Proxy

MICROLINK SOLUTIONS BERHAD
(Company No. 620782-P)
(Incorporated in Malaysia)

I/We, ______________________________ NRIC No: ______________________
of ____
being a member/members of MICROLINK SOLUTIONS BERHAD, hereby appoint ______________________
______________________________ NRIC No: ______________________
of ____
______________________________ or failing him/her, ______________________
NRIC No: ______________________ of ______________________
____

or failing whom, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the 12th Annual General Meeting of the Company, to be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, on Monday, 14 September 2015 at 10.00am and at any adjournment thereof in the manner as indicated below:

RESOLUTION	FOR	AGAINST
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		
RESOLUTION 6		

(Please indicate with an X in the spaces provided above to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy may vote as he or she thinks fit, or, at his or her discretion, abstain from voting)

Signed this______________day of_________________2015

Number of Ordinary Shares Held

____
Signature of Shareholder(s)

Notes:

i) A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. If the proxy is not a member of the Company, Section 149(1)(b) of the Companies Act, 1965 shall not be applicable. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.

ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA) which is exempted from compliance with provisions of subsection 25A(1) of SICDA.

iii) A member may appoint more than two (2) proxies to attend at the same meeting. Where a member appoints two (2) or more proxies, the member shall specify the proportion of his shareholding to be represented by each proxy.

iv) The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

v) Only members whose names appear in the Record of Depositors on 8 September 2015 shall be entitled to attend, speak and vote at the Annual General Meeting.

vi) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting at which the person named in the instrument proposed to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

Fold this flap for sealing

AFFIX
STAMP
HERE

To: The COMPANY SECRETARY
MICROLINK SOLUTIONS BERHAD
16th Floor, KH Tower,
8 Lorong P. Ramlee,
50250 Kuala Lumpur.

Fold this flap for sealing

Contact Details of Subsidiaries

APPLIED BUSINESS SYSTEMS SDN BHD
(Co No 188269-D)
10th & 13th Floor, Menara SMI,
6 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
T +603 2078 2288/2781 0888
F +603 2078 5496

CA IT INFRASTRUCTURE SOLUTIONS SDN BHD
(Co No 972041-X)
L15-01-02, PJX-HM Shah Tower,
No 16A, Persiaran Barat,
46050 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
T +603 7493 2060
F +603 7493 2073

CSA SERVIS (M) SDN BHD
(Co No 232732-T)
MICROLINK INNOVATION SDN BHD
(Co No 839837-A)
MICROLINK SOFTWARE SDN BHD
(Co No 824378-V)
MICROLINK SYSTEMS SDN BHD
(Co No 309131-H)
6th Floor, Menara Atlan,
161B, Jalan Ampang,
50450 Kuala Lumpur, Malaysia.
T +603 2171 2200
F +603 2171 2240

FIRST SOLUTION SDN BHD
(Co No 398017-P)
8th & 10th Floor,
Menara SMI, 6 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
T +603 2026 7818
F +603 2026 1881

FORMIS COMPUTER SERVICES SDN BHD
(Co No 112344-P)
16th Floor, KH Tower,
8 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
T +603 2078 4488
F +603 2070 6893

FORMIS SYSTEMS & TECHNOLOGY SDN BHD
(Co No 312258-W)
7th & 10th Floor, Menara SMI,
6 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
T +603 2070 3388
F +603 2070 8988

MICROLINK SOLUTIONS BERHAD
(Co No 620782-P)
6th Floor, Menara Atlan,
161B, Jalan Ampang,
50450 Kuala Lumpur, Malaysia.
T +603 2171 2200
F +603 2171 2240

Branch Office:
No 12, Pusat Pedada, Jalan Pedada,
96000 Sibu, Sarawak, Malaysia.
T +6084 344 801/333 921/333 929
F +6084 333 950

OMESTI INNOVATION LAB (MALAYSIA) SDN BHD
(Co No 486609-V)
3.02 C (East Wing), Level 3,
Menara BRDB, 285, Jalan Maarof,
Bukit Bandaraya,
59000 Kuala Lumpur, Malaysia.
T +603 2721 4920
F +603 2283 4921

PT MICROLINK INDONESIA
The City Tower, Level 12 Unit 1-N,
JL. M H Thamrin No.81,
Jakarta Pusat 10310, Indonesia.
T +6221 3049 9589
F +6221 3049 9590

member of OMESTI group

MICROLINK SOLUTIONS BERHAD
(Co No 620782-P)
6th Floor, Menara Atlan
161B, Jalan Ampang
50450 Kuala Lumpur
Malaysia

Tel: +603 2171 2200
Fax: +603 2171 2240
Web: www.microlink.com.my