



MICROLINK SOLUTIONS BERHAD

Company no. 200301018362 (620782 - P)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022

| <u>Table of contents</u> | <u>Page</u> |
|---|--------------------|
| Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income | 1 |
| Condensed Consolidated Statement of Financial Position | 2 |
| Condensed Consolidated Statement of Changes in Equity | 3 |
| Condensed Consolidated Statement of Cash Flow | 4 |
| Notes to the Interim Financial Report | 5 - 6 |
| Explanatory notes pursuant to Appendix 9B of the ACE Market Listing Requirements | 7 - 9 |

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**

| | INDIVIDUAL QUARTER THREE MONTHS ENDED 30 September | | CUMULATIVE PERIOD SIX MONTHS ENDED 30 September | |
|---|--|-----------------------------|---|-----------------------------|
| | 2022 RM'000 Unaudited | 2021 RM'000 Unaudited | 2022 RM'000 Unaudited | 2021 RM'000 Unaudited |
| Revenue | 56,006 | 62,991 | 109,863 | 104,925 |
| Cost of sales | (36,310) | (45,120) | (73,347) | (72,058) |
| Gross profit | 19,696 | 17,871 | 36,516 | 32,867 |
| Other operating income | 1,149 | 944 | 1,353 | 1,103 |
| Selling and distribution expenses | (491) | (271) | (937) | (552) |
| Administrative expenses | (10,194) | (7,990) | (17,083) | (13,772) |
| Finance costs | (349) | (346) | (813) | (778) |
| Other operating expenses | (1,587) | (2,125) | (3,151) | (3,957) |
| Profit before taxation | 8,224 | 8,083 | 15,885 | 14,911 |
| Taxation | (1,005) | (1,024) | (2,025) | (1,324) |
| Profit for the period | 7,219 | 7,059 | 13,860 | 13,587 |
| Other comprehensive income, net of tax - item that may be reclassified subsequently to profit or loss: | | | | |
| Foreign currency translations for foreign operations, net of tax | (137) | 1 | (136) | 1 |
| Other comprehensive income for the period, net of tax | (137) | 1 | (136) | 1 |
| Total comprehensive income for the period | 7,082 | 7,060 | 13,724 | 13,588 |
| Profit attributable to: | | | | |
| Owners of the parent | 7,342 | 7,121 | 13,983 | 13,644 |
| Non-controlling interests | (123) | (62) | (123) | (57) |
| | 7,219 | 7,059 | 13,860 | 13,587 |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 7,202 | 7,118 | 13,842 | 13,641 |
| Non-controlling interests | (120) | (58) | (118) | (53) |
| | 7,082 | 7,060 | 13,724 | 13,588 |
| Earnings per share (sen): | | | | |
| Basic | 0.69 | 2.94 | 1.31 | 5.62 |
| Diluted | 0.69 | 2.94 | 1.31 | 5.62 |

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

| | As At 30 September 2022 RM'000 Unaudited | As At 31 March 2022 RM'000 Audited |
|--|---|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 356 | 310 |
| Right-of-use assets | 4,318 | 4,170 |
| Goodwill | 22,664 | 18,409 |
| Software development expenditure | 111,646 | 102,425 |
| Other investments | 105 | 105 |
| Deferred tax assets | 2,707 | 2,707 |
| | <u>141,796</u> | <u>128,126</u> |
| Current Assets | | |
| Inventories | 5,759 | 1,463 |
| Contract costs | 16,998 | 4,303 |
| Other investments | 14,341 | 4,475 |
| Trade receivables | 50,616 | 28,052 |
| Other receivables, deposits and prepayments | 17,878 | 20,681 |
| Contract assets | 24,996 | 17,286 |
| Amount owing by ultimate holding company | - | 28,075 |
| Amount owing by immediate holding company | - | 37 |
| Current tax assets | 7,644 | 6,157 |
| Cash and bank balances | 24,290 | 63,122 |
| | <u>162,522</u> | <u>173,651</u> |
| TOTAL ASSETS | <u>304,318</u> | <u>301,777</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Parent | | |
| Share capital | 162,686 | 161,896 |
| Reserves | (103) | 38 |
| Retained Earnings | 47,961 | 39,322 |
| | <u>210,544</u> | <u>201,256</u> |
| Non-controlling interests | 137 | 480 |
| TOTAL EQUITY | <u>210,681</u> | <u>201,736</u> |
| Non-Current Liabilities | | |
| Deferred tax liability | 3,995 | 3,745 |
| Provision for gratuity obligations | 1,825 | 1,829 |
| Other payables and accruals | 157 | 157 |
| Lease liabilities | 3,557 | 4,120 |
| | <u>9,534</u> | <u>9,851</u> |
| Current Liabilities | | |
| Trade payables | 33,127 | 23,768 |
| Other payables and accruals | 18,635 | 13,969 |
| Contract liabilities | 15,251 | 17,308 |
| Amount owing to ultimate holding company | - | 38 |
| Amount owing to immediate holding company | - | 794 |
| Amounts owing to related companies | - | 1,379 |
| Borrowings | 13,002 | 27,914 |
| Provision for gratuity obligations | 124 | 239 |
| Lease liabilities | 2,754 | 2,670 |
| Current tax liabilities | 1,210 | 2,111 |
| | <u>84,103</u> | <u>90,190</u> |
| TOTAL LIABILITIES | <u>93,637</u> | <u>100,041</u> |
| TOTAL EQUITY AND LIABILITIES | <u>304,318</u> | <u>301,777</u> |
| Net assets per share (RM) | <u>0.20</u> | <u>0.19</u> |

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022

| | ←----- Non-distributable -----→ | | | | | |
|--|---------------------------------|--|----------------------------|---|--|-----------------------|
| | Share capital RM | Exchange Translation reserve RM | Retained Earnings RM | Total attributable to owners of the parent RM | Non- controlling interests RM | Total equity RM |
| Unaudited | | | | | | |
| <u>6 months ended 30 September 2022</u> | | | | | | |
| At 1 April 2022 (audited) | 161,896 | 38 | 39,322 | 201,256 | 480 | 201,736 |
| Profit for the period | - | - | 13,983 | 13,983 | (123) | 13,860 |
| Foreign currency translation for foreign operations | - | (141) | - | (141) | 5 | (136) |
| Total comprehensive income for the period | - | (141) | 13,983 | 13,842 | (118) | 13,724 |
| Transaction with owners | | | | | | |
| Shares issued pursuant to Employee Share Grant Plan ("ESGP") | 790 | - | - | 790 | - | 790 |
| Dividends paid | - | - | (5,344) | (5,344) | (225) | (5,569) |
| Total transactions with owners | 790 | - | (5,344) | (4,554) | (225) | (4,779) |
| At 30 September 2022 | 162,686 | (103) | 47,961 | 210,544 | 137 | 210,681 |
| Unaudited | | | | | | |
| <u>6 months ended 30 September 2021</u> | | | | | | |
| At 1 April 2021 (audited) | 105,583 | 42 | 13,852 | 119,477 | 487 | 119,964 |
| Profit for the period | - | - | 13,644 | 13,644 | (57) | 13,587 |
| Foreign currency translation for foreign operations | - | (3) | - | (3) | 4 | 1 |
| Total comprehensive income for the period | - | (3) | 13,644 | 13,641 | (53) | 13,588 |
| Transaction with owners | | | | | | |
| Shares issued pursuant to Employee Share Grant Plan | 2,943 | - | - | 2,943 | - | 2,943 |
| Total transactions with owners | 2,943 | - | - | 2,943 | - | 2,943 |
| At 30 September 2021 | 108,526 | 39 | 27,496 | 136,061 | 434 | 136,495 |

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

| | Current Year 6 months ended 30 September 2022 RM'000 Unaudited | Preceding Year 6 months ended 30 September 2021 RM'000 Unaudited |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 15,885 | 14,911 |
| Adjustments for non-cash items: | | |
| Amortisation of software development expenditure | 4,499 | 3,149 |
| Depreciation of property, plant and equipment | 58 | 78 |
| Depreciation of right-of-use assets | 697 | 645 |
| Employee share grant plan expenses | - | 981 |
| Fair Value Loss / (Gain) on Investment | 124 | (706) |
| Impairment losses on other receivable | (1) | - |
| Interest expense | 813 | 873 |
| Interest income | (260) | (161) |
| Net unrealised gain on foreign exchange | - | (27) |
| Reversal of provision for gratuity obligation | 671 | - |
| Operating profit before working capital changes | <u>22,486</u> | <u>19,743</u> |
| Net changes in assets | (16,375) | (32,026) |
| Net changes in liabilities | 5,459 | 7,062 |
| Net cash from / (used in) operations | <u>11,570</u> | <u>(5,221)</u> |
| Interest received | - | 9 |
| Tax paid | (4,162) | (2,459) |
| Net cash from / (used in) operating activities | <u>7,408</u> | <u>(7,671)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of a subsidiary, net of cash acquired | 39 | - |
| Addition of software development expenditure | (13,720) | (11,932) |
| Repayment from ultimate holding company | - | 17,275 |
| Repayment from immediate holding company | - | 16,280 |
| Interest received | 260 | 152 |
| Placement of deposits pledged to licensed banks | (169) | (39) |
| Purchase of other investments | (9,991) | (5,920) |
| Purchase of property, plant and equipment | (103) | (638) |
| Net cash (used in) / from investing activities | <u>(23,684)</u> | <u>15,178</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (5,569) | - |
| Interest paid | (568) | (531) |
| Repayments of borrowings | (14,675) | 3,340 |
| Payments of lease liabilities | (1,570) | (2,008) |
| Net cash (used in) / from financing activities | <u>(22,382)</u> | <u>801</u> |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | (38,658) | 8,308 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 56,152 | 4,121 |
| EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (106) | 41 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u>17,388</u> | <u>12,470</u> |

* Cash and cash equivalents at the beginning and end of the financial period are net of deposits pledged to banks.

Note:

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

MICROLINK SOLUTIONS BERHAD (200301018362 (620782 - P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRSs") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("ACE Listing Requirements") and should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2022.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2022 except for the newly-issued accounting framework - MFRS and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2022:

Annual Improvements to MFRS Standards 2018 - 2020

Amendments to MFRS 3 Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract

Amendments to MFRS 101 Classification of Liabilities as Current or Non-current

MFRS 17 Insurance Contract

Amendments to MFRS 17 Insurance Contract

Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)

Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)

Initial Application of MFRS 17 and MFRS 9 Comparative Information (Amendments to MFRS 17 Insurance Contracts)

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of the above did not have any significant effects on the interim financial statements upon their initial application.

A2 Audit report of preceding annual financial statements

The preceding audited financial statements for the financial year 31 March 2022 were not subjected to any qualification.

A3 Seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

A5 Material changes in estimates

There were no changes in estimates of amounts which have a material effect in the current quarter under review.

A6 Dividend paid

On 23 August 2022, the Company declared and approved a single-tier interim dividend of RM0.005 per ordinary share amounting to RM5.34 million in respect of the financial year ending 31 March 2023. The dividend has been paid on 30 September 2022.

A7 Segmental information

The Group's reportable segments were identified as follows:-

- (i) Financial Services - Provision of business and technical services for financial institutions
- (ii) Enterprise Solutions - Provision of emerging technologies for enterprise
- (iii) Distribution Services - Distribution and maintenance of computer equipment and software
- (iv) Solution Delivery - Provision of project and software solutions delivery services

A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)
A7 Segmental information (Cont'd)

| Business Segments | Financial Services | Enterprise Solutions | Distribution Services | Solution Delivery | Elimination | Consolidation |
|---|--------------------|----------------------|-----------------------|-------------------|----------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 6 months ended 30 September 2022 | | | | | | |
| External sales | 22,398 | 24,805 | 62,660 | - | - | 109,863 |
| Inter-segment sales | 3,216 | 183 | 2,414 | 248 | (6,061) | - |
| Total | <u>25,614</u> | <u>24,988</u> | <u>65,074</u> | <u>248</u> | <u>(6,061)</u> | <u>109,863</u> |
| Results | | | | | | |
| Segment results | 10,795 | 4,974 | 1,909 | (1,130) | (110) | 16,438 |
| Interest expense | (329) | (3) | (480) | (1) | - | (813) |
| Interest income | 89 | 85 | 83 | 3 | - | 260 |
| Taxation | (1,460) | (240) | (67) | (258) | - | (2,025) |
| Profit / (Loss) for the financial period | <u>9,095</u> | <u>4,816</u> | <u>1,445</u> | <u>(1,386)</u> | <u>(110)</u> | <u>13,860</u> |
| 6 months ended 30 September 2021 | | | | | | |
| External sales | 28,990 | 9,348 | 65,187 | 1,400 | - | 104,925 |
| Inter-segment sales | 3,987 | 99 | 2,846 | 289 | (7,221) | - |
| Total | <u>32,977</u> | <u>9,447</u> | <u>68,033</u> | <u>1,689</u> | <u>(7,221)</u> | <u>104,925</u> |
| Results | | | | | | |
| Segment results | 7,673 | 7,850 | 760 | (641) | (19) | 15,623 |
| Interest expense | (396) | (109) | (381) | (1) | 14 | (873) |
| Interest income | 108 | 8 | 45 | - | - | 161 |
| Taxation | (1,024) | - | - | (300) | - | (1,324) |
| Profit / (Loss) for the financial period | <u>6,361</u> | <u>7,749</u> | <u>424</u> | <u>(942)</u> | <u>(5)</u> | <u>13,587</u> |

A8 Valuation of property, plant and equipment

The Group did not carry out any valuation of its property, plant and equipment.

A9 Material events subsequent to the end of the quarter

On 12 July 2022, the Group proposed to transfer the listing of and quotation for the entire issued share capital of Microlink from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Proposed Transfer").

Saved as disclosed above, there were no material events announced subsequent to the end of the current financial period under review up to the date of this announcement.

A10 Changes in the composition of the Group

On 4 July 2022, the Group has acquired Formis Lab Singapore Pte Ltd from Continuous Network Advisers Sdn Bhd.

Effective from 18 July 2022, Omesti no longer controls the board of directors of Microlink following the changes to the board compositions of both Omesti and Microlink and the re-designation of a director in Omesti.

Saved as disclose above, there were no other changes in the composition of the Group for the current quarter under review.

A11 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at 22 November 2022 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

A12 Cash and bank balances

| | Current year as at 30 September 2022 RM'000 |
|---|--|
| Cash and bank balances | 19,632 |
| Fixed deposits with licensed financial institutions | 4,658 |
| | <u>24,290</u> |
| Less: Fixed deposits pledged with licensed banks | (4,658) |
| Bank overdraft | (2,244) |
| | <u>17,388</u> |

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE LISTING REQUIREMENTS

B1 Review of performance

The summary breakdown of revenue by business segments of the Group is as follows:-

| | Individual Quarter | | | Cumulative Period | | |
|------------------------------|-----------------------------|---------|----------|-----------------------------|---------|----------|
| | 3 months ended 30 September | | | 6 months ended 30 September | | |
| | 2022 | 2021 | Variance | 2022 | 2021 | Variance |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Financial Services | 11,851 | 15,597 | -24% | 25,614 | 32,977 | -22% |
| Enterprise Solutions | 12,513 | 6,931 | 81% | 24,988 | 9,447 | 165% |
| Distribution Services | 34,317 | 43,824 | -22% | 65,074 | 68,033 | -4% |
| Solution Delivery | 104 | 286 | -64% | 248 | 1,689 | -85% |
| | 58,785 | 66,638 | -12% | 115,924 | 112,146 | 3% |
| Less : Inter Segment Revenue | (2,779) | (3,647) | | (6,061) | (7,221) | |
| Total Group Revenue | 56,006 | 62,991 | -11% | 109,863 | 104,925 | 5% |

The Group's revenue decreased in the current quarter under review by RM6.99 million as compared to the revenue achieved in the corresponding quarter of preceding year. The lower revenue was mainly attributable to lower order fulfilments and progress billings particularly in Distribution Services segment.

The summary breakdown of profit before taxation by business segments of the Group is as follows:-

| | Individual Quarter | | | Cumulative Period | | |
|--------------------------------|-----------------------------|---------|----------|-----------------------------|--------|----------|
| | 3 months ended 30 September | | | 6 months ended 30 September | | |
| | 2022 | 2021 | Variance | 2022 | 2021 | Variance |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Financial Services | 5,152 | 2,143 | 140% | 10,555 | 7,383 | 43% |
| Enterprise Solutions | 1,837 | 6,014 | -69% | 5,056 | 7,750 | -35% |
| Distribution Services | 1,735 | 1,114 | 56% | 1,512 | 424 | 257% |
| Solution Delivery | (599) | (1,379) | -57% | (1,128) | (642) | 76% |
| | 8,125 | 7,892 | 3% | 15,995 | 14,915 | 7% |
| Add : Elimination | 99 | 191 | | (110) | (4) | |
| Profit before taxation ("PBT") | 8,224 | 8,083 | 2% | 15,885 | 14,911 | 7% |

The Group recorded a PBT of RM8.22 million in the current quarter under review as compared to RM8.08 million in the previous corresponding quarter due to higher margin recorded.

Material change in profit before taxation for the quarter reported as compared with the immediate preceding quarter

| | Current Quarter | Immediate Preceding Quarter | Change |
|------------------------|-----------------|-----------------------------|--------|
| | RM'000 | RM'000 | % |
| Revenue | 56,006 | 53,857 | 4% |
| Profit before taxation | 8,224 | 7,661 | 7% |

The Group recorded increase in revenue by RM2.15 million in the current quarter as compared to the immediate preceding quarter mainly attributable to higher order fulfilments and progress billings.

The group posted a slight increase in PBT by RM0.56 million in the current quarter as compared to the immediate preceding quarter. The higher profit recorded in the current quarter is in tandem with revenue and gross profit margin recorded.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE LISTING REQUIREMENTS (Cont'd)

B2 Prospects

Since the reopening of all local business activities and international borders, Malaysia's economy has regained positive momentum towards economic recovery. Strong GDP growth of 14.2% in the third quarter of 2022 is reflective of the Nation's normalising economic activities as it continues to transition out of the COVID-19 pandemic. Nevertheless, the pace of economic recovery is also dependent on the Nation's political stability after the recent GE15, global inflation and the impact of the war in Ukraine, as well as the continued strengthening of the US dollar following aggressive US monetary policy tightening.

With the Government digitalisation transformation agenda as announced in Budget 2023, the Group is committed to continuously explore investment opportunities in digital technology to cater for the increasing demand for innovative solutions from our core products portfolio in the financial services and telco segments.

In recent months, the Group has also successfully penetrated into new markets in the Middle East and Indo-China offering financial services and telco-related solutions in these growing markets. The Group expects a steady stream of revenue and positive gross margin contributions in the near future.

Barring any unforeseen circumstances, the Board is optimistic that the outlook for the Group is positive with potential upside through expansion into new pillars and business opportunities to achieve sustainable growth of earnings in the future.

B3 Profit forecast or guarantee

There were no profit forecast or profit guarantee issued by the Group and the Company.

B4 Income tax expense

| | Current quarter 30 September 2022 RM'000 | Cumulative 30 September 2022 RM'000 |
|-------------------------|---|--|
| Taxation - current year | (755) | (1,699) |
| Taxation - prior year | - | (76) |
| Deferred tax | (250) | (250) |
| Total | <u>(1,005)</u> | <u>(2,025)</u> |

B5 Unquoted investments and properties

There were no purchase or disposal of unquoted investments and properties during the financial period under review.

B6 Quoted securities

There were no acquisitions or disposals of quoted securities during the financial period under review.

B7 Corporate exercise and utilisation of proceeds

On 12 July 2022, the Group proposed to transfer the listing of and quotation for the entire issued share capital of Microlink from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Proposed Transfer").

Saved as disclosed above, there is no corporate exercise announced but not completed during the period under review.

B8 Group's borrowings and debt securities

The Group's bank borrowings are as follows:

| | As at 30 September 2022 RM'000 | As at 30 September 2021 RM'000 |
|--------------------------------------|---|---|
| Short term bank borrowings - secured | 13,002 | 23,365 |
| Long term bank borrowings - secured | - | - |
| Total borrowings | <u>13,002</u> | <u>23,365</u> |

B9 Off balance sheet financial instruments

Bank guarantees amounting to RM0.60 million have been issued.

B10 Material litigation

The Group is not engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this announcement.

B11 Dividends

On 23 August 2022, the Company declared and approved a single-tier interim dividend of RM0.005 per ordinary share amounting to RM5.34 million in respect of the financial year ended 31 March 2023. The dividend has been paid on 30 September 2022.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE LISTING REQUIREMENTS (Cont'd)

B12 Earnings per share

Basic earnings per share

The calculation of the basic earnings per share is based on the net profit for the financial quarter and period under review divided by the weighted average number of ordinary shares in issue during the quarter.

| | Individual Quarter 30 September 2022 | Cumulative Quarter 30 September 2022 |
|---|---|---|
| Profit attributable to owners of the parent (RM) | 7,342,000 | 13,983,000 |
| Weighted average number of ordinary shares in issue | 1,068,697,401 | 1,068,535,064 |
| Basic earnings per share (sen) | 0.69 | 1.31 |

B13 Authorisation for issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 29 November 2022.

**MICROLINK SOLUTIONS BERHAD 200301018362 (620782 - P)
29 November 2022**