

INSPIRING GROWTH

ANNUAL REPORT **2023**

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

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 subsidiaries are mainly engaged in the provision of information technology solutions, research and development for information technology solutions, deployment services, consultancy services in information technology services, system integration services, distribution and maintenance of computer hardware and software. Other information relating to the respective subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group	Company
	RM	RM
Profit for the financial year	26,033,422	285,272
Attributable to:		
Owners of the parent	25,858,677	285,272
Non-controlling interests	174,745	-
	26,033,422	285,272

DIVIDENDS

The Directors declared a single-tier interim dividend of 0.5 sen per ordinary share, amounting to approximately RM5.34 million in respect of the current financial year paid on 30 September 2022. The Directors do not recommend any payment of final dividend in respect of the current financial year.

RESERVES & PROVISIONS

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

ISSUE OF SHARES & DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company were increased from 1,067,397,460 to 1,072,396,160 ordinary shares by way of issuance of 4,998,700 new ordinary shares under Employee Share Grant Plan at exercise prices ranging from RM0.54 to RM1.0182 per ordinary share at no consideration.

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

At an Extraordinary General Meeting held on 17 October 2014, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan ("LTIP" or "Scheme"), which comprises an Employee Share Option Scheme ("ESOS") and an Employee Share Grant Plan ("ESGP") and is administered by the LTIP Committee which is appointed by the Board of Directors, in accordance with the By-Laws of the LTIP. The LTIP should be in force for a period of 5 years from 27 October 2014, unless extended further.

On 11 October 2019, in pursuant to the By-Laws 26.3 of the Company's LTIP By-Laws and upon the recommendation by the LTIP Committee, the Board of Directors resolved to extend its existing LTIP for a period of five (5) years commencing from 27 October 2019 on the same terms and conditions as stipulated in the said By-Laws.

The main features of the LTIP are as follows:

- (a) Eligible Directors and employees are those who are confirmed employees of the Company and/or its eligible subsidiaries and has attained the age of 18 years before the date of offer;
- (b) The maximum number of options to be issued under the LTIP should not exceed in aggregate 20% of the issued and paid-up ordinary share capital of the Company at any point of time during the tenure of the LTIP. In addition, any individual Director or employee's maximum entitlement should not exceed 10% of the ordinary shares of the Company;
- (c) Options granted may be exercised at any time within the option period of 18 months or 3 years from the date of offer;
- (d) In the case of the ESGP, the shares will be vested with the grantee at no consideration on the vesting date: while in the case of the ESOS, the option price of a new ordinary share should be the 5-day weighted average market prices of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad immediately preceding the date of offer or at RM0.10, whichever is higher; and
- (e) Options granted are not entitled to dividends or voting rights. Upon exercise of the options, the ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The options over the ordinary shares of the Company under ESOS was lapsed in financial year ended 31 March 2020.

During the financial year, the Company has awarded 4,998,700 new ordinary shares under the ESGP to eligible employees of the Company.

DIRECTORS

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

Microlink Solutions Berhad

Tun Arifin bin Zakaria

Tan Sri Jaganath Derek Steven Sabapathy

Monteiro Gerard Clair

Tai Keat Chai

Martin Chu Leong Meng

Dato' Sri Chee Hong Leong

Wan Mai Gan

(Appointed on 18 July 2022)

Dato' Ahmad Najmi bin Abdul Razak

(Appointed on 20 December 2022)

Noor Zaliza Yati binti Yahya

(Appointed on 20 December 2022)

Mah Xian-Zhen

(Resigned on 18 July 2022)

Dato' Seri Mohd Khairi bin Dato' Mat Jahya

(Resigned on 20 December 2022)

Tan Sri Datuk Seri (Dr) Mazlan bin Lazim

(Resigned on 6 June 2023)

DIRECTORS (CONT'D.)

Subsidiaries of Microlink Solutions Berhad

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Ch'ng Kai Fen
 Gan Khong Kiat
 Koay Soon Hoe
 Ajis
 See Kar Fai
 Nazri bin Ismail
 Ku Azhar bin Ku Abdul Razak
 Ryan John Fernandez
 Ramlee bin Abdullah
 Ahmad Faiz bin Besah @ Sitam
 Trazender Anak Gunting
 Dato' Seri Mohd Khairi bin Dato' Mat Jahya
 Chia Yong Wei

(Resigned on 5 September 2022)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	Number of Ordinary Shares			Balance as at 31.3.2023
	Balance as at 1.4.2022	Addition	Sold	
<u>Direct interests</u>				
Monteiro Gerard Clair	28,424,996	8,780,300	-	37,205,296
Tan Sri Jaganath Derek Steven Sabapathy	19,222,000	1,000,000	(1,077,400)	19,144,600
Tun Arifin bin Zakaria	-	1,600,000	-	1,600,000
<u>Indirect interest</u>				
Monteiro Gerard Clair [#]	31,464	-	-	31,464

Employee Share Grant Plan ("ESGP") in the Company	Number of Shares under ESGP			Balance as at 31.3.2023
	Balance as at 1.4.2022	Granted	Vested	
<u>Direct interests</u>				
Monteiro Gerard Clair	-	135,300	(135,300)	-

[#] Deemed interest by virtue of his substantial interest in H2O Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

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 remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those as disclosed in Note 41 to the financial statements.

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

DIRECTORS' REMUNERATION

The Directors' remuneration paid to or receivable by the Directors of the Company from the Company and its subsidiaries are as follows:

	Group	Company
	2023 RM	2023 RM
Fees	752,686	73,613
Salaries and other short term employee benefits	1,176,395	650,360
	1,929,081	723,973

Estimated monetary value of benefits-in-kind provided to the Directors of Company from the Company and its subsidiaries is RM125,663.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

No indemnity was given by the Company to any Director or officer of the Company during the financial period. There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there all known bad debts had been 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 have 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 year have not been substantially affected by any item, transaction or event of a material and unusual nature.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D.)

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

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the 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 likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

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

HOLDING COMPANIES

In previous financial year, the Directors regard Omesti Berhad ("Omesti"), a company listed on the Main Market of Bursa Malaysia Securities Berhad as the ultimate holding company and Omesti Holdings Berhad as the immediate holding company, both of which are incorporated in Malaysia.

In June 2022, Omesti decreased its shareholding in Company to 49.2% and with the changes to the board compositions of both Omesti and the Company and the re-designation of a director in Omesti announced on 18 July 2022, Omesti ceased treating the Company as a subsidiary, as Omesti no longer controls the Company.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 30 May 2023, the Company had acquired 100% of the chartered and contributed capital of Microlink Solutions Vietnam Company Limited (formerly known as Omesti Vietnam Company Limited), a company incorporated in Vietnam that is engaged in consulting services, software implementation services, data processing services, database services and maintenance services.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 March 2023 amounted to RM53,750 and RM162,000 respectively.

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

Monteiro Gerard Clair
Director

Dato' Sri Chee Hong Leong
Director

Kuala Lumpur
10 July 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements as set out on pages 13 to 86 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Monteiro Gerard Clair
Director

Dato' Sri Chee Hong Leong
Director

Kuala Lumpur
10 July 2023

STATUTORY DECLARATION

I, Thoo W'y-Kit (CA 31394), 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 13 to 86 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)
10 July 2023) **Thoo W'y-Kit**

Before me:

INDEPENDENT AUDITORS' REPORT

To the members of Microlink Solutions Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Microlink Solutions Berhad, which comprise the statements of financial position as at 31 March 2023 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 86.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

(a) Impairment assessment of goodwill

The carrying amount of goodwill as at 31 March 2023 amounted to RM22,663,983 as disclosed in Note 6 to the financial statements.

We determined this to be a key audit matter as the assessment of impairment based on the value-in-use method is complex and it requires significant judgements and estimates about the future results and key assumptions applied to cash flow forecasts of the cash generating units ("CGUs") in determining the recoverable amounts. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each CGU.

Audit response

Our audit procedures included the following:

- (i) compared prior period projections to actual outcomes to assess reliability of management's forecasting process and controls;
- (ii) assessed and evaluated the assumptions used in forecasting revenues, operating profit margins and growth rates;
- (iii) assessed appropriateness of pre-tax discount rates used by management by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (iv) assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (Cont'd.)

(b) Impairment assessment of software development expenditure

As at 31 March 2023, the carrying amount of software development expenditure of the Group with impairment indicators was RM6,217,619 as disclosed in Note 7(d) to the financial statements.

We determined this to be a key audit matter as the assessment of impairment based on the value-in-use method is complex and it requires significant judgements and estimates about the future results and key assumptions applied to cash flow forecasts of the cash generating units ("CGUs") in determining the recoverable amounts. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each CGU.

Audit response

Our audit procedures included the following:

- (i) compared prior period projections to actual outcomes to assess reliability of management's forecasting process and controls;
- (ii) assessed and evaluated the assumptions used in forecasting revenues, operating profit margins and growth rates;
- (iii) assessed appropriateness of pre-tax discount rates used by management by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (iv) assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

(c) Impairment assessment of the carrying amount of investments in subsidiaries

As at 31 March 2023, the net carrying amount of investments in subsidiaries with impairment indicators amounted to RM7,401,113 as disclosed in Note 8(f) to the financial statements.

We determined this to be a key audit matter as the assessment of impairment based on the value-in-use method is complex and it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the affected subsidiaries in determining the recoverable amounts which were based on the value-in-use model. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each subsidiary.

Audit response

Our audit procedures included the following:

- (i) compared prior period projections to actual outcomes to assess reliability of management's forecasting process;
- (ii) assessed and evaluated the key assumptions used in forecasting revenues, operating profit margins and growth rates;
- (iii) assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, weighted average cost of capital of the Group and relevant risk factors; and
- (iv) assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

INDEPENDENT AUDITORS' REPORT (CONT'D.)

To the members of Microlink Solutions Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (Cont'd.)

(d) Impairment assessment of the amounts owing by subsidiaries

As at 31 March 2023, the gross amounts owing by subsidiaries of the Company were RM111,998,413 and the impairment losses were RM68,905,332 as disclosed in Note 19 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by subsidiaries, appropriate forward-looking information and significant increase in credit risk.

Audit response

Our audit procedures included the following:

- (i) recomputed probability of default using historical data and forward-looking adjustment applied by the Company;
- (ii) assessed the appropriateness of the indicators of significant increase in credit risk applied by the management and the resultant basis for classification of exposure into respective stages;
- (iii) challenged management on the basis for determining cash flows recoverable, where applicable; and
- (iv) assessed actual loss events subsequent to the end of reporting period for its relationship with the indicators of significant increase in credit risk applied by management.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D.)

To the members of Microlink Solutions Berhad (Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

OTHER MATTERS

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

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
10 July 2023

Koo Swee Lin

03281/08/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	4,596,042	4,480,015	2,095,263	2,192,839
Goodwill	6	22,663,983	18,409,459	-	-
Software development expenditure	7	111,907,526	102,425,367	2,055,099	3,017,088
Investments in subsidiaries	8	-	-	35,418,519	35,246,929
Investment in a joint venture	9	289,241	-	5,100	-
Other investments	10	105,000	105,000	-	-
Finance lease receivable	11	914,536	-	1,134,346	-
Deferred tax assets	12	1,846,954	2,706,940	266,640	266,640
		142,323,282	128,126,781	40,974,967	40,723,496
Current assets					
Inventories and contract costs	13	22,275,262	5,766,061	-	-
Other investments	10	3,388,221	4,474,662	702,531	3,195,629
Trade receivables	14	55,040,773	28,051,892	31,966,696	31,031,276
Other receivables, deposits and prepayments	15	31,285,078	20,680,809	1,903,584	2,287,275
Contract assets	16	36,306,599	17,285,819	-	-
Finance lease receivable	11	212,395	-	212,395	-
Amount owing by former ultimate holding company	17	-	28,074,593	-	1,079,390
Amount owing by former immediate holding company	18	-	36,764	-	-
Amounts owing by subsidiaries	19	-	-	43,093,081	42,874,905
Amounts owing by jointly-controlled entity	20	543,526	-	542,653	-
Current tax assets		10,617,468	6,157,325	1,594,903	1,626,232
Cash and bank balances	21	33,676,241	63,122,153	254,296	1,162,808
		193,345,563	173,650,078	80,270,139	83,257,515
TOTAL ASSETS		335,668,845	301,776,859	121,245,106	123,981,011

STATEMENTS OF FINANCIAL POSITION (CONT'D.)

As at 31 March 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	22	166,259,528	161,896,279	166,259,528	161,896,279
Reserves	23	(214,324)	38,160	-	-
Retained earnings/(Accumulated losses)		60,063,918	39,321,872	(51,614,412)	(46,555,634)
		226,109,122	201,256,311	114,645,116	115,340,645
Non-controlling interests	8(d)	130,457	480,482	-	-
TOTAL EQUITY		226,239,579	201,736,793	114,645,116	115,340,645
LIABILITIES					
Non-current liabilities					
Provision for gratuity obligations	37	-	1,828,952	-	-
Other payables and provision	26	183,084	157,548	183,084	157,548
Lease liabilities	27	4,572,634	4,120,401	3,126,373	2,660,748
Deferred tax liabilities	12	5,448,450	3,744,846	-	-
		10,204,168	9,851,747	3,309,457	2,818,296
Current liabilities					
Trade payables	28	17,353,809	23,767,522	-	-
Other payables and provision	26	24,560,412	13,968,866	1,551,478	2,464,902
Contract liabilities	29	26,038,579	17,307,792	140,857	428,932
Amount owing to former ultimate holding company	17	-	37,659	-	-
Amount owing to former immediate holding company	18	-	793,765	-	789,075
Amounts owing to subsidiaries	19	-	-	254,177	-
Amounts owing to former related companies	30	-	1,378,632	-	146,593
Amount owing to jointly-controlled entity	20	1,170,000	-	-	-
Borrowings	24	28,004,653	27,914,436	-	-
Lease liabilities	27	1,723,113	2,670,003	1,344,021	1,992,568
Provision for gratuity obligations	37	-	238,931	-	-
Current tax liabilities		374,532	2,110,713	-	-
		99,225,098	90,188,319	3,290,533	5,822,070
TOTAL LIABILITIES		109,429,266	100,040,066	6,599,990	8,640,366
TOTAL EQUITY AND LIABILITIES		335,668,845	301,776,859	121,245,106	123,981,011

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	33	248,448,515	218,310,178	7,859,796	7,451,025
Cost of sales		(177,184,757)	(153,139,383)	(474,733)	(1,824,179)
Gross profit		71,263,758	65,170,795	7,385,063	5,626,846
Other operating income		7,652,367	3,291,996	7,284,902	1,554,264
Distribution costs		(1,781,547)	(1,151,324)	(51,855)	(48,536)
Administrative expenses		(37,117,808)	(25,270,513)	(8,081,455)	(4,975,924)
Other operating expenses		(7,035,844)	(6,562,594)	(1,675,526)	(1,590,455)
Net gains/(losses) on impairment of financial assets		338,999	207,053	(3,892,959)	(3,900,490)
Finance costs	34	(1,680,552)	(1,454,422)	(381,695)	(413,730)
Share of profit of a jointly-controlled entity, net of tax	9	284,141	-	-	-
Profit/(Loss) before taxation		31,923,514	34,230,991	586,475	(3,748,025)
Taxation	35	(5,890,092)	(8,771,990)	(301,203)	98,391
Profit/(Loss) for the financial year		26,033,422	25,459,001	285,272	(3,649,634)
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations for foreign operations, net of tax	35(c)	(249,435)	681	-	-
Total comprehensive income/(loss)		25,783,987	25,459,682	285,272	(3,649,634)
Profit/(Loss) attributable to:					
Owners of the parent		25,858,677	25,469,946	285,272	(3,649,634)
Non-controlling interests	8(d)	174,745	(10,945)	-	-
		26,033,422	25,459,001	285,272	(3,649,634)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		25,606,193	25,466,280	285,272	(3,649,634)
Non-controlling interests	8(d)	177,794	(6,598)	-	-
		25,783,987	25,459,682	285,272	(3,649,634)
Earnings per ordinary share attributable to equity holders of the Company:					
Basic (sen)	36	2.42	3.66		
Diluted (sen)	36	2.42	3.66		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

Group	Note	Non-distributable		Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
		Share capital RM	Exchange translation reserve RM				
Balance as at 1 April 2022		161,896,279	38,160	39,321,872	201,256,311	480,482	201,736,793
Profit for the financial year		-	-	25,858,677	25,858,677	174,745	26,033,422
Foreign currency translation for foreign operations, net of tax		-	(252,484)	-	(252,484)	3,049	(249,435)
Total comprehensive income		-	(252,484)	25,858,677	25,606,193	177,794	25,783,987
Transactions with owners							
Shares issued pursuant to Employee Share Grant Plan	22	4,363,249	-	-	4,363,249	-	4,363,249
Arising from accretion of equity interests in a subsidiary		-	-	227,419	227,419	(302,419)	(75,000)
Dividends paid	38	-	-	(5,344,050)	(5,344,050)	-	(5,344,050)
Dividends paid to non-controlling interest		-	-	-	-	(225,400)	(225,400)
Total transactions with owners		4,363,249	-	(5,116,631)	(753,382)	(527,819)	(1,281,201)
Balance as at 31 March 2023		166,259,528	(214,324)	60,063,918	226,109,122	130,457	226,239,579
Balance as at 1 April 2021							
Balance as at 1 April 2021		105,582,794	41,826	13,851,926	119,476,546	487,080	119,963,626
Profit for the financial year		-	-	25,469,946	25,469,946	(10,945)	25,459,001
Foreign currency translation for foreign operations, net of tax		-	(3,666)	-	(3,666)	4,347	681
Total comprehensive income		-	(3,666)	25,469,946	25,466,280	(6,598)	25,459,682
Transactions with owners							
Shares issued under private placement	22	53,369,855	-	-	53,369,855	-	53,369,855
Shares issued pursuant to Employee Share Grant Plan	22	2,943,630	-	-	2,943,630	-	2,943,630
Total transactions with owners		56,313,485	-	-	56,313,485	-	56,313,485
Balance as at 31 March 2022		161,896,279	38,160	39,321,872	201,256,311	480,482	201,736,793

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

Company	Note	Non-distributable	Accumulated losses RM	Total equity RM
		Share capital RM		
Balance as at 1 April 2022		161,896,279	(46,555,634)	115,340,645
Profit for the financial year		-	285,272	285,272
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	285,272	285,272
Transactions with owners				
Shares issued pursuant to Employee Share Grant Plan	22	4,363,249	-	4,363,249
Dividends paid	38	-	(5,344,050)	(5,344,050)
Total transactions with owners		4,363,249	(5,344,050)	(980,801)
Balance as at 31 March 2023		166,259,528	(51,614,412)	114,645,116
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Balance as at 1 April 2021		105,582,794	(42,906,000)	62,676,794
Loss for the financial year		-	(3,649,634)	(3,649,634)
Other comprehensive loss, net of tax		-	-	-
Total comprehensive loss		-	(3,649,634)	(3,649,634)
Transactions with owners				
Shares issued under restricted issue	22	53,369,855	-	53,369,855
Shares issued pursuant to Employee Share Grant Plan	22	2,943,630	-	2,943,630
Total transactions with owners		56,313,485	-	56,313,485
Balance as at 31 March 2022		161,896,279	(46,555,634)	115,340,645

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		31,923,514	34,230,991	586,475	(3,748,025)
Adjustments for:					
Amortisation of software development expenditure	7	12,882,057	7,815,684	1,017,639	899,658
Depreciation of property, plant and equipment	5	1,486,160	1,450,028	585,904	649,759
Dividend income	33	(86,937)	(50,600)	(6,524,770)	(50,600)
(Gain)/Loss on termination of lease contract		(69,823)	12,760	(33,344)	-
Lease concession	27	(5,232)	-	-	-
Gain on lease modification		(2,699)	-	-	-
Impairment losses on:					
- amount owing by former ultimate holding company	17(e)	-	100,000	-	-
- amounts owing by subsidiaries	19(e)	-	-	4,030,116	926,964
- trade receivables	14	389,178	270,096	395,985	4,384,105
- contract asset	16(c)	-	17,370	-	-
- other receivables	15(f)	3,450	-	-	-
Interest expense	34	1,680,552	1,716,332	381,695	413,730
Interest income		(539,868)	(311,939)	(84,198)	(1,669)
Provision for gratuity obligations	37	(2,067,883)	(67,142)	-	-
Reversal of impairment losses on:					
- amount owing by former ultimate holding company	17(e)	(139,230)	(19,228)	-	(17,603)
- amount owing by former immediate holding company	18	-	(14,101)	-	(12,083)
- amounts owing by subsidiaries	19(e)	-	-	(533,142)	(1,380,893)
- trade receivables	14	(592,397)	(561,190)	-	-
Other payables and accruals written back		(183,451)	(1,181,946)	-	-
Share options granted under Employee Share Grant Plan		4,363,249	2,943,630	87,217	211,913
Share of profit of a jointly-controlled entity, net of tax	9	(284,141)	-	-	-
Net unrealised loss/(gain) on foreign exchange		9,849	(27,421)	-	-
Net unrealised loss/(gain) on other investment		1,905,782	(240,271)	34,000	(126,500)
Gain on disposal of other investment		(5,151,045)	(1,710,580)	(634,416)	(1,239,300)
Operating profit/(loss) before changes in working capital		45,521,085	44,372,473	(690,839)	909,456

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

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Cont'd.)					
(Increase)/Decrease in inventories and contract costs		(16,509,201)	856,026	-	-
Increase in trade and other receivables		(3,729,366)	(5,560,064)	(409,977)	(30,567,735)
Increase in contract assets		(19,020,779)	(9,913,797)	-	-
Decrease in finance lease receivable		131,307	4,074,426	132,804	3,755,638
(Decrease)/Increase in trade and other payables		(507,737)	6,264,684	(2,203,692)	45,729
Increase/(Decrease) in contract liabilities		8,730,787	(396,258)	(288,075)	(168,347)
Cash generated from/(used in) operations		14,616,096	39,697,490	(3,459,779)	(26,025,259)
Interest received		71,494	9,066	71,684	-
Tax paid		(10,033,355)	(6,084,454)	(369,655)	(182,384)
Tax refunded		44,687	-	-	-
Net cash from/(used in) operating activities		4,698,922	33,622,102	(3,757,750)	(26,207,643)
CASH FLOWS FROM INVESTING ACTIVITIES					
Addition of software development expenditure	7	(22,364,216)	(46,928,321)	(55,650)	(328,380)
Repayments (to)/from former ultimate holding company		-	(4,651,260)	-	17,461,091
Repayments from former immediate holding company		-	16,167,107	-	16,092,663
Repayments from/(Advances to) subsidiaries		-	-	7,472,672	(54,903,499)
Dividend received		86,937	50,600	321,537	50,600
Interest received		467,254	302,873	12,514	1,669
Placement of deposits from licensed banks		(966,772)	(447,766)	-	-
Net disposal/(purchase) of other investments		4,332,824	(2,424,396)	3,093,514	(1,747,703)
Acquisition of additional interests in a subsidiary	8(c)(iii)	(75,000)	-	-	-
Purchase of property, plant and equipment	5(f)	(446,721)	(174,364)	(27,671)	(41,851)
Subscription of newly issued shares in subsidiaries	8(c)(i)	-	-	(171,589)	-
Acquisition of subsidiaries, net of cash acquired	8(c)(ii)	38,664	-	-	-
Downpayment made for acquisition of investment property	15(b)	(6,000,000)	-	-	-
Acquisition of interests in jointly-controlled entity	9	(5,100)	-	(5,100)	-
Advances to jointly-controlled entity		(1,000)	-	(1,000)	-
Net cash (used in)/from investing activities		(24,933,130)	(38,105,527)	10,639,227	(23,415,410)

STATEMENTS OF CASH FLOWS (CONT'D.)

For the financial year ended 31 March 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		79,201,799	89,435,566	-	-
Repayment of borrowings		(79,108,397)	(81,539,124)	-	-
Payment of lease liabilities		(3,374,487)	(3,665,924)	(2,445,939)	(2,600,166)
Proceeds from ordinary shares issued pursuant to private placement	22	-	53,369,855	-	53,369,855
Interest paid		(1,111,040)	(1,123,897)	-	-
Dividends paid	38	(5,344,050)	-	(5,344,050)	-
Dividends paid to non-controlling interest		(225,400)	-	-	-
Net cash (used in)/from financing activities		(9,961,575)	56,476,476	(7,789,989)	50,769,689
Net (decrease)/increase in cash and cash equivalents		(30,195,783)	51,993,051	(908,512)	1,146,636
Cash and cash equivalents at beginning of financial year		56,151,670	4,120,794	1,162,808	16,172
Effect of changes in exchange rates		(213,715)	37,825	-	-
Cash and cash equivalents at end of financial year	21(d)	25,742,172	56,151,670	254,296	1,162,808

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
(i) Borrowings*					
As at 1 April 2022/2021		25,433,617	17,537,175	-	-
Cash flows		93,402	7,896,442	-	-
As at 31 March 2023/2022	24	25,527,019	25,433,617	-	-
(ii) Lease liabilities					
As at 1 April 2022/2021		6,790,404	10,095,342	4,653,316	6,839,752
Cash flows		(3,374,487)	(3,665,924)	(2,445,939)	(2,600,166)
Non-cash flows					
- Addition of leases		2,869,895	52,516	2,029,374	-
- Unwinding of interest		543,976	592,435	356,159	413,730
- Lease modification		141,456	31,119	-	-
- Lease concessions		(5,232)	-	-	-
- Lease termination		(670,265)	(315,084)	(122,516)	-
As at 31 March 2023/2022	27	6,295,747	6,790,404	4,470,394	4,653,316
Total liabilities from financing activities		31,822,766	32,224,021	4,470,394	4,653,316

* For reconciliation of liabilities arising from financing activities purpose, the bank overdraft has been excluded from the borrowings as cash and cash equivalents include bank overdraft.

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

1. CORPORATE INFORMATION

Microlink Solutions Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia.

On 27 February 2023, the listing of and quotation for the entire issued share capital of the Company has been officially transferred from the ACE Market to the Main Market of Bursa Securities. The Company is also a Multimedia Super Corridor (“MSC”) status company.

The registered office of the Company is located at Ho Hup Tower - Aurora Place 02-07-01 - Level 7, Plaza Bukit Jalil, No 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur.

The principal place of business of the Company is located at Ho Hup Tower - Aurora Place 02-08-01, Level 8, Plaza Bukit Jalil, No 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 March 2023 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 10 July 2023.

2. 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 and the details of the subsidiaries are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. 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 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 44.1 to the financial statements.

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.

4. OPERATING SEGMENTS

The Company and its subsidiaries in Malaysia are principally engaged in financial services, enterprise solutions, distribution services and solution delivery for computer software solutions.

(a) Business segments

The Group has arrived at four (4) 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) 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.

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. These policies have been applied consistently throughout the financial year.

The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the statements of financial position.

The inter-segment liabilities are adjusted against the segment liabilities to arrive at total liabilities reported in the statements of financial position.

4. OPERATING SEGMENTS (CONT'D.)

(a) Business segments (Cont'd.)

2023	Financial Services RM	Enterprise Solutions RM	Distribution Services RM	Solution Delivery RM	Elimination RM	Consolidation RM
Revenue						
External sales	64,954,195	58,954,931	122,739,389	1,800,000	-	248,448,515
Inter-segment sales	15,187,966	849,618	9,832,797	431,747	(26,302,128)	-
Total	80,142,161	59,804,549	132,572,186	2,231,747	(26,302,128)	248,448,515
Results						
Interest income	238,361	141,067	167,382	3,708	(10,650)	539,868
Dividend income	6,524,770	-	-	-	(6,437,833)	86,937
Reversal of impairment losses on former ultimate holding company	-	38,436	794	100,000	-	139,230
Reversal of impairment losses on trade receivables	519,148	-	-	-	-	519,148
Reversal of impairment losses on amounts owing by subsidiaries	533,142	-	-	-	(533,142)	-
Reversal of impairment losses on related parties	6,096,185	505,989	581	72,507	(6,602,013)	73,249
Realised gain on disposal of other investment	5,151,045	-	-	-	-	5,151,045
Net unrealised fair value loss on investment	(1,905,782)	-	-	-	-	(1,905,782)
Amortisation of software development expenditure	(6,584,444)	(6,433,410)	-	(653,076)	788,873	(12,882,057)
Depreciation of property, plant and equipment	(1,021,511)	(33,530)	(415,756)	(36,076)	20,713	(1,486,160)
Impairment losses on amounts owing by subsidiaries	(4,426,101)	-	-	-	4,426,101	-
Impairment losses on trade receivables	-	(389,178)	-	-	-	(389,178)
Impairment losses on other receivables	-	-	-	(3,450)	-	(3,450)
Impairment losses on amounts owing by related parties	(1,099,052)	(242,526)	(682,691)	(138,365)	2,162,634	-
Interest expense	(759,041)	(71,372)	(858,694)	(2,095)	10,650	(1,680,552)
Taxation	(3,143,578)	(2,260,142)	(633,087)	146,715	-	(5,890,092)
Segment profit/(loss) before tax	24,983,724	12,826,792	1,195,484	(964,082)	(6,118,404)	31,923,514
Capital expenditure (exclude right-of-use assets)	258,299	71,973	112,050	124,260	(119,861)	446,721
Software development expenditure	9,392,542	12,512,080	-	512,094	(52,500)	22,364,216
Segment assets	221,781,680	128,294,044	99,412,764	25,812,254	(139,631,897)	335,668,845
Segment liabilities	118,605,066	95,295,836	123,195,718	16,765,438	(244,432,792)	109,429,266

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

31 March 2023

4. OPERATING SEGMENTS (CONT'D.)

(a) Business segments (Cont'd.)

2022	Financial Services RM	Enterprise Solutions RM	Distribution Services RM	Solution Delivery RM	Elimination RM	Consolidation RM
Revenue						
External sales	21,206,364	54,761,824	139,341,990	3,000,000	-	218,310,178
Inter-segment sales	7,062,529	658,970	5,497,370	4,134,844	(17,353,713)	-
Total	28,268,893	55,420,794	144,839,360	7,134,844	(17,353,713)	218,310,178
Results						
Interest income	170,035	46,339	94,721	1,202	(358)	311,939
Reversal of impairment losses on trade receivables	-	24,810	430,826	-	-	455,636
Reversal of impairment losses on related parties	1,625,343	1,024,881	9,492,333	315,424	(12,352,427)	105,554
Reversal of impairment losses on subsidiaries	1,380,893	-	-	-	(1,380,893)	-
Reversal of impairment losses on former ultimate holding company	17,603	-	1,625	-	-	19,228
Reversal of impairment losses on former immediate holding company	12,083	1,056	962	-	-	14,101
Gain on disposal of property, plant and equipment	-	-	-	1,725	(1,725)	-
Gain on disposal of investment	1,710,580	-	-	-	-	1,710,580
Amortisation of software development expenditure	(5,100,786)	(2,849,014)	-	(585,703)	719,819	(7,815,684)
Depreciation of property, plant and equipment	(940,304)	(26,378)	(472,460)	(19,716)	8,830	(1,450,028)
Impairment losses on amount owing by former ultimate holding company	-	-	-	(100,000)	-	(100,000)
Impairment losses on amounts owing by subsidiaries	(5,311,069)	-	-	-	5,311,069	-
Impairment losses on contract asset	-	-	-	(17,370)	-	(17,370)
Impairment losses on trade receivables	(270,096)	-	-	-	-	(270,096)
Impairment losses on related parties	(3,731,957)	(673,776)	(979,536)	-	5,385,269	-
Interest expense	(712,957)	(272,312)	(729,263)	(2,158)	358	(1,716,332)
Taxation	(125,154)	(6,797,535)	(1,088,594)	(760,707)	-	(8,771,990)
Segment profit/(loss) before tax	(10,611,787)	28,752,668	14,802,055	4,284,044	(2,995,989)	34,230,991
Capital expenditure						
(exclude right-of-use assets)	81,219	23,178	18,232	51,735	-	174,364
Software development expenditure	1,478,380	42,226,616	-	3,315,243	(91,918)	46,928,321
Segment assets	189,523,823	101,382,956	98,543,115	25,438,021	(113,111,056)	301,776,859
Segment liabilities	107,243,065	72,090,104	122,813,464	15,573,838	(217,680,405)	100,040,066

4. OPERATING SEGMENTS (CONT'D.)

(b) Geographical segments

	Revenue RM	Segment assets RM	Segment liabilities RM	Capital and software development expenditure RM	Depreciation and amortisation RM
2023					
Malaysia	237,009,131	332,036,336	108,083,459	22,810,937	14,368,217
Overseas	11,439,384	3,632,509	1,345,807	-	-
	248,448,515	335,668,845	109,429,266	22,810,937	14,368,217
2022					
Malaysia	213,909,067	301,392,292	99,570,131	47,102,685	9,265,712
Overseas	4,401,111	384,567	469,935	-	-
	218,310,178	301,776,859	100,040,066	47,102,685	9,265,712

Geographical segments of the Group are presented based on the physical geographical locations of customers of subsidiaries of the Group.

(c) Major customers

During the financial year, the Group has significant reliance on a single customer, with whom the Group transacted RM26,513,909 (2022: RM38,803,345), which was more than 10 (ten) percent of its revenue.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.4.2022 RM	Lease modification RM	Lease termination RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Exchange adjustments RM	Balance as at 31.3.2023 RM
Carrying amount								
Buildings	2,152,158	144,155	-	771,136	*	(507,107)	-	2,560,342
- Right-of-use assets	3,609	-	-	-	-	(1,104)	-	2,505
Furniture and fittings	8,877	-	-	6,000	-	(4,638)	-	10,239
Office equipment								
Computer software and hardware								
- Owned	282,192	-	-	440,721	-	(143,672)	-	579,241
- Right-of-use assets	202,148	-	-	-	-	(142,902)	-	59,246
Renovations	15,186	-	-	-	-	(358)	96	14,924
Motor vehicles								
- Owned	-	-	-	-	-	-	-	-
- Right-of-use assets	1,815,845	-	(600,442)	840,521	-	(686,379)	-	1,369,545
	4,480,015	144,155	(600,442)	2,058,378	*	(1,486,160)	96	4,596,042

* Refers to the expiration of lease contract.

Group	As at 31.3.2023	As at 31.3.2023	
	Cost RM	Accumulated depreciation RM	
		Carrying amount RM	
Buildings	4,199,381	(1,639,039)	2,560,342
- Right-of-use assets	176,585	(174,080)	2,505
Furniture and fittings	67,340	(57,101)	10,239
Office equipment			
Computer software and hardware			
- Owned	3,485,489	(2,906,248)	579,241
- Right-of-use assets	459,322	(400,076)	59,246
Renovations	191,847	(176,923)	14,924
Motor vehicles			
- Owned	20,800	(20,800)	-
- Right-of-use assets	2,713,358	(1,343,813)	1,369,545
	11,314,122	(6,718,080)	4,596,042

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

31 March 2023

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Balance as at 1.4.2022 RM	Additions RM	Lease termination RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.3.2023 RM
Carrying amount						
Buildings						
- Right-of-use assets	1,865,651	549,829	-	*	(376,899)	2,038,581
Furniture and fittings	4	-	-	-	-	4
Office equipment	6	-	-	-	-	6
Computer software and hardware	39,937	27,671	-	-	(10,936)	56,672
Motor vehicles						
- Right-of-use assets	287,241	-	(89,172)	*	(198,069)	-
	2,192,839	577,500	(89,172)	*	(585,904)	2,095,263

* Refers to the expiration of lease contract.

Company	As at 31.3.2023		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings			
- Right-of-use assets	3,264,188	(1,225,607)	2,038,581
Furniture and fittings	27,647	(27,643)	4
Office equipment	31,368	(31,362)	6
Computer software and hardware	277,881	(221,209)	56,672
Motor vehicles			
- Right-of-use assets	460,000	(460,000)	-
	4,061,084	(1,965,821)	2,095,263

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Balance as at 1.4.2021 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2022 RM
Carrying amount				
Buildings				
- Right-of-use assets	2,188,157	-	(322,506)	1,865,651
Furniture and fittings	4	-	-	4
Office equipment	6	-	-	6
Computer software and hardware	10,132	41,851	(12,046)	39,937
Motor vehicles				
- Right-of-use assets	602,448	-	(315,207)	287,241
	2,800,747	41,851	(649,759)	2,192,839

Company	As at 31.3.2022		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings			
- Right-of-use assets	2,893,344	(1,027,693)	1,865,651
Furniture and fittings	27,647	(27,643)	4
Office equipment	31,368	(31,362)	6
Computer software and hardware	250,210	(210,273)	39,937
Motor vehicles			
- Right-of-use assets	1,389,587	(1,102,346)	287,241
	4,592,156	(2,399,317)	2,192,839

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) All items of property, plant and equipment, except for right-of-use assets, are initially measured at cost. Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal annual depreciation rates of property, plant and equipment, except for right-of-use assets are as follows:

Furniture and fittings	15% - 20%
Office equipment	15% - 20%
Computer software and hardware	20% - 25%
Renovations	10% - 20%
Motor vehicles	20%

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Buildings	2 - 10 years
Computer software and hardware	2 - 5 years
Motor vehicles	2 - 4 years

- (b) Net carrying amounts of right-of-use assets presented within property, plant and equipment are as follows:

Group	Balance as at 1.4.2022 RM	Lease modification RM	Lease termination RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2023 RM
Carrying amount						
Buildings	2,152,158	144,155	-	771,136	(507,107)	2,560,342
Computer software and hardware	202,148	-	-	-	(142,902)	59,246
Motor vehicles	1,815,845	-	(600,442)	840,521	(686,379)	1,369,545
	4,170,151	144,155	(600,442)	1,611,657	(1,336,388)	3,989,133

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(b) Net carrying amounts of right-of-use assets presented within property, plant and equipment are as follows: (Cont'd.)

Company	Balance as at 1.4.2022 RM	Additions RM	Lease termination RM	Depreciation charge for the financial year RM	Balance as at 31.3.2023 RM
Carrying amount					
Buildings	1,865,651	549,829	-	(376,899)	2,038,581
Motor vehicles	287,241	-	(89,172)	(198,069)	-
	2,152,892	549,829	(89,172)	(574,968)	2,038,581

Group	Balance as at 1.4.2021 RM	Lease modification RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2022 RM
Carrying amount					
Buildings	2,557,910	31,119	-	(436,871)	2,152,158
Computer software and hardware	287,446	-	52,516	(137,814)	202,148
Motor vehicles	2,539,649	-	-	(723,804)	1,815,845
	5,385,005	31,119	52,516	(1,298,489)	4,170,151

Company	Balance as at 1.4.2021 RM	Depreciation charge for the financial year RM	Balance as at 31.3.2022 RM
Carrying amount			
Buildings	2,188,157	(322,506)	1,865,651
Motor vehicles	602,448	(315,207)	287,241
	2,790,605	(637,713)	2,152,892

(c) The Group has certain leases of buildings, office equipment, computer software and hardware with lease term of 12 months or less, and low value leases of office equipment and computer software and hardware of RM10,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Depreciation charge of right-of-use assets (included in administrative expenses)	1,336,388	1,298,489	574,968	637,713
Interest expense on lease liabilities (included in finance cost)	543,976	592,435	356,159	413,730
(Gain)/Loss on termination of lease contract (included in other operating income)	(69,823)	12,760	(33,344)	-
Lease concession (included in other operating income)	(5,232)	-	-	-
Gain on lease modification (included in other operating income)	(2,699)	-	-	-
Expense relating to short-term leases (included in administrative expenses)	711,084	52,085	24,608	7,589
Expense relating to leases of low-value assets (included in administrative expenses)	8,415	4,788	-	-
	2,522,109	1,960,557	922,391	1,059,032

(e) The following are total cash outflows for leases as lessee:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Included in net cash of operating activities:				
Payment relating to short term leases	711,084	52,085	24,608	7,589
Payment relating to leases of low-value assets	8,415	4,788	-	-
Interest paid in relation to lease liabilities	543,976	592,435	356,159	413,730
Included in net cash from financing activities:				
Payment of lease liabilities	3,374,487	3,665,924	2,445,939	2,600,166
	4,637,962	4,315,232	2,826,706	3,021,485

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (f) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Purchase of property, plant and equipment Financed by lease liabilities	2,058,378 (1,611,657)	226,880 (52,516)	577,500 (549,829)	41,851 -
Cash payments on purchase of property, plant and equipment	446,721	174,364	27,671	41,851

6. GOODWILL

	Group	
	2023 RM	2022 RM
Carrying amount		
Goodwill	22,663,983	18,409,459

	Cost RM	Accumulated impairment losses RM	Carrying amount RM
As at 31 March 2023			
Goodwill	22,727,894	(63,911)	22,663,983
As at 31 March 2022			
Goodwill	18,473,370	(63,911)	18,409,459

- (a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

6. GOODWILL (CONT'D.)

- (b) Goodwill has been allocated to the Cash Generating Units (“CGUs”) of the Group based on the following reportable segments:

	Group	
	2023 RM	2022 RM
Financial Services	7,072,376	2,817,852
Enterprise Solutions	3,449,874	3,449,874
Distribution Services	8,672,340	8,672,340
Solution Delivery	3,469,393	3,469,393
	22,663,983	18,409,459

- (c) Impairment assessment on the carrying amount of goodwill is performed at least on an annual basis. The Directors have made significant judgements and estimates about the future results and key assumptions applied to cash flow forecasts of the CGUs in determining its recoverable amount.

Recoverable amounts of goodwill for both financial years have been determined based on the value-in-use of the CGU, using the following assumptions:

- (i) Cash flow forecasts based on approved financial budgets covering a five (5) year period;
- (ii) Pre-tax discount rate of the Group of 11.0% (2022: 9.72%) per annum;
- (iii) Forecasted growth rates ranging from 5.0% to 6.0% (2022: 5.0% to 6.0%) based on past performance of the segment;
- (iv) Terminal value based on the fifth year cash flow without incorporating any growth rate; and
- (v) Projected profit margins based on historical profit margins achieved.

Management believes that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGUs’ recoverable amounts, which would cause the CGUs’ carrying amounts to materially exceed their recoverable amounts.

7. SOFTWARE DEVELOPMENT EXPENDITURE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At cost				
As at 1 April 2022/2021	137,433,871	90,505,550	32,247,538	31,919,158
Additions during the financial year	22,364,216	46,928,321	55,650	328,380
As at 31 March 2023/2022	159,798,087	137,433,871	32,303,188	32,247,538
Accumulated amortisation				
As at 1 April 2022/2021	(34,595,781)	(26,780,097)	(28,790,728)	(27,891,070)
Amortisation during the financial year	(12,882,057)	(7,815,684)	(1,017,639)	(899,658)
As at 31 March 2023/2022	(47,477,838)	(34,595,781)	(29,808,367)	(28,790,728)
Accumulated impairment losses				
As at 31 March 2023/2022	(412,723)	(412,723)	(439,722)	(439,722)
Carrying amount	111,907,526	102,425,367	2,055,099	3,017,088

- (a) Software development expenditure are intangible assets with finite useful lives that are measured after initial recognition at cost less accumulated amortisation and any impairment losses.
- (b) Software development expenditure comprises salaries of personnel involved in development projects. Software development expenditure are charged to 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 the expected life of the software which is five (5) to ten (10) years, commencing 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.
- (c) During the financial year, the Group and the Company made cash payments of RM22,364,216 (2022: RM46,928,321) and RM55,650 (2022: RM328,380) respectively on additions of software development expenditure.
- (d) Impairment assessment

The Group assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs"). The carrying amount of the software development expenditure in the Group with indications of impairment amounted to RM6,217,619 as at 31 March 2023.

The Group has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate. The Group has determined that the recoverable amounts are in excess of the carrying amounts of the software development expenditure and no further impairment has been recorded in the current financial year.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost	35,778,970	35,607,380
Less: Accumulated impairment losses	(360,451)	(360,451)
	35,418,519	35,246,929

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in separate financial statements of the Company at cost less impairment losses, if any.

All 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 interests' shares of subsequent changes in equity.

- (b) Details of the subsidiaries are as follows:

Name of Company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
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
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	100	100	Provision of research and development for information technology solutions to the financial services industry
CSA Servis (M) Sdn. Bhd. ("CSAS")	Malaysia	100	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	100	Development of information and multimedia technology and provision of deployment services
PT Microlink Indonesia ("PTMI")®	Republic of Indonesia	100	100	Provision of information technology solutions to the financial services industry and dealing in related products

8. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Details of the subsidiaries are as follows: (Cont'd.)

Name of Company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
Direct subsidiaries (Cont'd.)				
Microlink Software Sdn. Bhd. ("MSB")	Malaysia	51	51	Provision of consultancy services in supporting and modifying banking software
ML Tridimas Sdn. Bhd. ("MLTSB")	Malaysia	100	100	Development of application software, system integration services and the provision of hardware and software maintenance services
Dhanalynk Sdn. Bhd.	Malaysia	100	100	Development of application software, system integration services and the provision of hardware and software maintenance services
Microlink Solution WLL [@]	Kingdom of Bahrain	100	-	Provision of computer programming, computer consultancy and computer facilities management and management consultancy services
Microlink Solutions Pte. Ltd. ("MSPL") <i>(Formerly known as Formis Labs Singapore Pte. Ltd.)[@]</i>	Singapore	100	-	Distributing and marketing online video surveillance and analytics services
Subsidiary of MSSB				
PT Microlink International Maju ("PTMIM") [@]	Republic of Indonesia	65	65	Provision of information technology solutions to the financial services industry and dealing in related products
Subsidiaries of CSAS				
Formis Systems & Technology Sdn. Bhd. ("FST")	Malaysia	100	100	Distribution and maintenance of computer hardware and software
First Solution Sdn. Bhd. ("FIRST")	Malaysia	100	100	Distribution and maintenance of computer hardware and software
Applied Business Systems Sdn. Bhd. ("ABS")	Malaysia	100	100	Distribution and maintenance of computer hardware and software

8. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Details of the subsidiaries are as follows: (Cont'd.)

Name of Company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
Subsidiaries of CSAS (Cont'd.)				
Formis Computer Services Sdn. Bhd. ("FCS")	Malaysia	100	100	Provision of computer technology and maintenance of computer hardware and software
Formis Advanced Systems Sdn. Bhd. ("FAS")	Malaysia	100	85	Provision of information technology services in terms of hardware, software, consultancy and maintenance

@ Subsidiaries not audited by BDO PLT or BDO PLT member firms.

(c) Other details of investments in subsidiaries:

(i) Incorporation of a subsidiary

On 26 April 2022, the Company had incorporated and subscribed for a total of one (1) share representing 100% of the entire issued and paid-up share capital of Microlink Solutions WLL., a company incorporated in Kingdom of Bahrain that is engaged in the provision of computer programming, computer consultancy and computer facilities management and management consultancy services for RM171,589.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Other details of investments in subsidiaries: (Cont'd.)

(ii) Increase in investment in subsidiaries

1) Acquisition of MSPL

On 4 July 2022, the Company had acquired 100 ordinary shares, representing 100% of the entire issued and paid-up share capital of MSPL, a company incorporated in Singapore that is engaged in distributing and marketing online video surveillance and analytics services, for a total cash consideration of RM1.

Following the transaction, goodwill amounting RM4,254,524 was recognised based on provisional fair value of identifiable net assets and liabilities on the acquisition of MSPL.

The identifiable assets and liabilities acquired were as follows:

	Net carrying amount RM
Assets	
Cash and bank balances	38,665
Liabilities	
Other payables and accruals	41,067
Amount owing to former ultimate holding company	3,562,140
Amount owing to former immediate holding company	6,832
Amounts owing to related parties	683,149
	4,293,188
Total identifiable net liabilities at provisional fair value	(4,254,523)
Provisional goodwill arising on acquisition	4,254,524
Total consideration	1

The effect on the acquisition of MSPL on cash flows is as follows:

	RM
Total cash consideration	1
Less: Cash and cash equivalents of a subsidiary acquired	(38,665)
Net cash inflow on acquisition	(38,664)

The revenue and profit or loss of MSPL for financial year ended 31 March 2023 or since the date of acquisition did not have any material effect on the financial results of the Group.

2) Previously, on 25 March 2022, the Company increased its investment in subsidiaries by a total of RM17,800,000 by capitalising the amount due from subsidiaries.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Other details of investments in subsidiaries: (Cont'd.)

(iii) Accretion of equity interest in a subsidiary

On 25 February 2023, CSAS, a wholly owned subsidiary of the Company acquired 75,000 ordinary shares, representing 15% of the total issued and paid-up share capital of FAS for a total cash consideration of RM75,000. Following the acquisition, FAS became a wholly-owned subsidiary of CSAS.

(d) Subsidiaries of the Group that have material non-controlling interests (NCI) are as follows:

	MSB RM	FAS RM	PTMIM RM	Total RM
2023				
NCI percentage of ownership interest and voting interest	49%	0%	35%	
Carrying amount of NCI	67,676	-	62,781	130,457
(Loss)/Profit allocated to NCI	(5,293)	302,276	(122,238)	174,745
Total comprehensive (loss)/income allocated to NCI	(5,293)	302,276	(119,189)	177,794
2022				
NCI percentage of ownership interest and voting interest	49%	15%	35%	
Carrying amount of NCI	298,370	144	181,968	480,482
Loss allocated to NCI	(9,805)	(1,103)	(37)	(10,945)
Total comprehensive (loss)/income allocated to NCI	(9,805)	(1,103)	4,310	(6,598)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

- (e) Summarised financial information of the subsidiaries that have material NCI as at the end of each reporting period prior to intra-group elimination are as follows:

	MSB RM	FAS RM	PTMIM RM	Total RM
2023				
Assets and liabilities				
Non-current assets	2	-	14,160	14,162
Current assets	142,413	-	422,850	565,263
Current liabilities	(4,300)	-	(257,633)	(261,933)
Net assets	138,115	-	179,377	317,492
Results				
Revenue	2,500	-	-	2,500
Loss for the financial year	(10,802)	-	(349,252)	(360,054)
Total comprehensive loss	(10,802)	-	(340,538)	(351,340)
Cash flow from/(used in):				
- operating activities	21,316	-	(58)	21,258
- investing activities	-	-	-	-
- financing activities	(460,000)	-	-	(460,000)
Net decrease in cash and cash equivalents	(438,684)	-	(58)	(438,742)
2022				
Assets and liabilities				
Non-current assets	573	-	14,064	14,637
Current assets	615,163	5,347	761,737	1,382,247
Current liabilities	(6,818)	(4,393)	(255,886)	(267,097)
Net assets	608,918	954	519,915	1,129,787
Results				
Revenue	991,013	55,280	-	1,046,293
Loss for the financial year	(20,011)	(7,356)	(107)	(27,474)
Total comprehensive (loss)/income	(20,011)	(7,356)	12,315	(15,052)
Cash flow from/(used in):				
- operating activities	258,474	(6,938)	(11,898)	239,638
- investing activities	1,935	1,073	-	3,008
- financing activities	-	-	(87)	(87)
Net increase/(decrease) in cash and cash equivalents	260,409	(5,865)	(11,985)	242,559

8. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

- (f) The Company assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the subsidiaries. Management has considered the shareholders' deficit as at financial year end in certain subsidiaries as an impairment indicator. The carrying amount of these subsidiaries was RM7,401,113 (2022: RM26,846,417).

The Management has made significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the affected subsidiaries in determining their recoverable amounts using the value-in-use model. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each subsidiary. Management has determined that the recoverable amounts are in excess of the carrying amounts of the investments in subsidiaries and no further impairment has been recorded in the current financial year.

9. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted equity shares, at cost	5,100	-	5,100	-
Share of post-acquisition reserves	284,141	-	-	-
	289,241	-	5,100	-

- (a) The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.
- (b) Details of the joint venture are as follows:

Name of Company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
Joint venture with Kinexure Sdn. Bhd.				
Microlink Kinexure Sdn. Bhd.#	Malaysia	51	-	Provision of information technology management and consultancy services

Incorporated on 27 December 2022.

10. OTHER INVESTMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Equity securities:				
- Transferable club memberships	105,000	105,000	-	-
Current				
Equity securities:				
- Quoted income funds in Malaysia	86,031	83,795	86,031	83,795
- Quoted shares in Malaysia	3,302,190	4,390,867	616,500	3,111,834
	3,388,221	4,474,662	702,531	3,195,629
Total other investments	3,493,221	4,579,662	702,531	3,195,629

- (a) The equity securities are classified as financial assets at fair value through profit or loss.
- (b) The fair values of transferable club memberships are estimated based on references to current available counter party quotations of the same investments.
- (c) The fair values of quoted income funds in Malaysia are determined by reference to the exchange quoted market bid prices at the close of business at the end of each reporting period.
- (d) Fair value hierarchy

Group	Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2023						
Equity securities						
- Quoted income funds	86,031	-	-	86,031	86,031	86,031
- Quoted shares	3,302,190	-	-	3,302,190	3,302,190	3,302,190
- Transferable golf club memberships	-	-	105,000	105,000	105,000	105,000
2022						
Equity securities						
- Quoted income funds	83,795	-	-	83,795	83,795	83,795
- Quoted shares	4,390,867	-	-	4,390,867	4,390,867	4,390,867
- Transferable golf club memberships	-	-	105,000	105,000	105,000	105,000

10. OTHER INVESTMENTS (CONT'D.)

(d) Fair value hierarchy (Cont'd.)

Company	Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2023						
Equity securities						
- Quoted income funds	86,031	-	-	86,031	86,031	86,031
- Quoted shares	616,500	-	-	616,500	616,500	616,500
2022						
Equity securities						
- Quoted income funds	83,795	-	-	83,795	83,795	83,795
- Quoted shares	3,111,834	-	-	3,111,834	3,111,834	3,111,834

(e) Sensitivity analysis of quoted shares against stock indices at the end of each reporting period, assuming that all other variables remain constant, is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Effects of 10% changes to stock indices				
Profit/(Loss) after tax	±312,000	±800,000	±50,000	±727,000

As the Group and the Company neither have the intention, nor historical trend of active trading in transferable golf club memberships and quoted income funds, the Directors are of the opinion that the Group and the Company are not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

(f) There is no transfer between levels in the hierarchy during the financial year.

(g) The valuation technique and significant unobservable input 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 asset	Valuation technique used	Significant unobservable input	Inter-relationship between key unobservable inputs and fair value
Transferable golf club memberships	Market comparison method	Counter party quotation	The higher the quotation, the higher the fair value of the other investment

11. FINANCE LEASE RECEIVABLE

- (a) Finance lease receivable is classified as financial asset measured at amortised cost.
- (b) The Group is an intermediate lessor in the sublease of building. The subleases are classified as finance leases with reference to the right-of-use assets arising from the head leases. The Group derecognises the underlying assets and recognises receivables at an amount equal to net investments in finance leases. Net investments in the finance leases are measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset.
- (c) Interest income from lease receivable is recognised in the profit or loss using the effective interest rate method. Finance lease receivables bear interest of 7.70% (2022: Nil) per annum.
- (d) All finance lease receivable of the Group is denominated in RM.
- (e) The finance lease receivable is subject to a fixed weighted average effective interest rate of 7.70% per annum. Sensitivity analysis for fixed rate receivables as at the end of the reporting period is not presented as fixed rate instruments as it is not affected by changes in interest rate.
- (f) Impairment for finance lease receivable is recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 14(e)(i) to the financial statements.
- (g) No expected credit loss is recognised arising from finance lease receivable as it is negligible.
- (h) The maturity profile of finance lease receivable at the end of each reporting period is summarised as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Present value of finance lease receivable:				
Non-current	914,536	-	1,134,346	-
Current	212,395	-	212,395	-
	1,126,931	-	1,346,741	-
Maturity:				
Within one year	307,038	-	307,038	-
One to five years	988,533	-	1,228,153	-
More than five years	102,346	-	102,346	-
	1,397,917	-	1,637,537	-
Less: Unearned interest income	(270,986)	-	(290,796)	-
	1,126,931	-	1,346,741	-

12. DEFERRED TAX ASSETS/(LIABILITIES)

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
As at 1 April 2022/2021	(1,037,906)	3,010,981	266,640	266,640
Recognised in profit or loss (Note 35)	(2,563,590)	(4,048,887)	-	-
As at 31 March 2023/2022	(3,601,496)	(1,037,906)	266,640	266,640
Presented after appropriate offsetting:				
Deferred tax assets	1,846,954	2,706,940	266,640	266,640
Deferred tax liabilities	(5,448,450)	(3,744,846)	-	-
Deferred tax (liabilities)/assets, net	(3,601,496)	(1,037,906)	266,640	266,640

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

Deferred tax assets of the Group	Unused tax losses RM	Unabsorbed capital allowances RM	Lease liabilities RM	Other temporary differences RM	Total RM
Balance as at 1 April 2022	2,494,381	-	169,905	3,332,555	5,996,841
Recognised in profit or loss	645,494	2,576,318	122,680	1,690,178	5,034,670
Balance as at 31 March 2023, prior to offsetting	3,139,875	2,576,318	292,585	5,022,733	11,031,511
Set-off					(9,184,557)
Balance as at 31 March 2023					1,846,954
Balance as at 1 April 2021	2,436,781	28,611	97,238	3,811,992	6,374,622
Recognised in profit or loss	57,600	(28,611)	72,667	(479,437)	(377,781)
Balance as at 31 March 2022, prior to offsetting	2,494,381	-	169,905	3,332,555	5,996,841
Set-off					(3,289,901)
Balance as at 31 March 2022					2,706,940

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

(b) The components and movements of deferred tax assets and deferred tax liabilities during the financial year prior to offsetting are as follows: (Cont'd.)

Deferred tax liabilities of the Group	Property, plant and equipment RM	Software development expenditure RM	Finance lease receivables RM	Other temporary differences RM	Total RM
Balance as at 1 April 2022	(334,354)	(3,442,899)	81	(3,257,575)	(7,034,747)
Recognised in profit or loss	(460,406)	(5,805,371)	251	(1,332,734)	(7,598,260)
Balance as at 31 March 2023, prior to offsetting	(794,760)	(9,248,270)	332	(4,590,309)	(14,633,007)
Set-off					9,184,557
Balance as at 31 March 2023					(5,448,450)
Balance as at 1 April 2021	(345,278)	-	(6,595)	(3,011,768)	(3,363,641)
Recognised in profit or loss	10,924	(3,442,899)	6,676	(245,807)	(3,671,106)
Balance as at 31 March 2022, prior to offsetting	(334,354)	(3,442,899)	81	(3,257,575)	(7,034,747)
Set-off					3,289,901
Balance as at 31 March 2022					(3,744,846)

Deferred tax assets of the Company	Unabsorbed capital allowances RM	Lease liabilities RM	Other temporary differences RM	Total RM
Balance as at 1 April 2022	-	138,308	131,594	269,902
Recognised in profit or loss	399,475	122,109	(53,848)	467,736
Balance as at 31 March 2023, prior to offsetting	399,475	260,417	77,746	737,638
Set-off				(470,998)
Balance as at 31 March 2023				266,640
Balance as at 1 April 2021	-	85,650	184,672	270,322
Recognised in profit or loss	-	52,658	(53,078)	(420)
Balance as at 31 March 2022, prior to offsetting	-	138,308	131,594	269,902
Set-off				(3,262)
Balance as at 31 March 2022				266,640

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

- (b) The components and movements of deferred tax assets and deferred tax liabilities during the financial year prior to offsetting are as follows: (Cont'd.)

Deferred tax liabilities of the Company	Property, plant and equipment RM	Software development expenditure RM	Total RM
Balance as at 1 April 2022	(3,262)	-	(3,262)
Recognised in profit or loss	(7,136)	(460,600)	(467,736)
Balance as at 31 March 2023, prior to offsetting	(10,398)	(460,600)	(470,998)
Set-off			(470,998)
Balance as at 31 March 2023			-
Balance as at 1 April 2021	(3,682)	-	(3,682)
Recognised in profit or loss	420	-	420
Balance as at 31 March 2022, prior to offsetting	(3,262)	-	(3,262)
Set-off			3,262
Balance as at 31 March 2022			-

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unused tax losses				
- Expires by 31 March 2028	-	5,149,920	-	-
- Expires by 31 March 2029	163,449	171,319	-	-
- Expires by 31 March 2031	996,744	999,760	-	-
- Expires by 31 March 2032	21,165	26,704	-	-
- Expires by 31 March 2033	403,774	-	-	-
Unabsorbed capital allowances	2,907,677	2,647,154	1,036,684	1,139,721
Other deductible temporary differences	10,568,419	14,360,147	-	755,495
	15,061,228	23,355,004	1,036,684	1,895,216

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

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities. Unutilised tax losses of the holding company and subsidiaries incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

13. INVENTORIES & CONTRACT COSTS

	Note	Group	
		2023 RM	2022 RM
Inventories			
At cost			
Hardware maintenance parts and spares	(a)	1,342,458	1,462,838
Contract costs	(b)	20,932,804	4,303,223
		22,275,262	5,766,061

(a) Inventories

- (i) Inventories are determined on the first-in, first-out basis and stated at the lower of cost and net realisable value.
- (ii) Cost of inventories of the Group recognised as an expense during the financial year amounted to RM100,256,017 (2022: RM99,518,023).
- (iii) 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. Management specifically analyses sales trend and current economic trends when evaluating 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. No write down has been made during the financial year.

(b) Contract costs

- (i) Contract costs represent directly attributable costs incurred in fulfilling a contract that are expected to be recovered in satisfying future performance obligations. Costs incurred by the Group to fulfill a contract prior to the commencement of its performance are mostly general and administrative expenses that are expensed as incurred.
- (ii) Contract costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The basis of amortisation is reviewed at the end of the year to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- (iii) An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration expected to be received in exchange for goods or services to which the asset relates, net of remaining directly attributable costs yet to be expensed.

13. INVENTORIES & CONTRACT COSTS (CONT'D.)

(b) Contract costs (Cont'd.)

(iv) Movement of contract costs is as follows:

	Group	
	2023 RM	2022 RM
Balance as at 1 April 2022/2021	4,303,223	5,495,185
Capitalised during the financial year	39,295,843	3,861,368
	43,599,066	9,356,553
Recognised in profit or loss	(22,666,262)	(5,053,330)
Balance as at 31 March 2023/2022	20,932,804	4,303,223

No provision for impairment losses were required on contract costs as at 31 March 2023 and 31 March 2022.

14. TRADE RECEIVABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Third parties		65,782,497	29,788,295	-	-
Related parties		-	9,353,397	-	-
Subsidiaries		-	-	38,687,874	37,356,469
		65,782,497	39,141,692	38,687,874	37,356,469
Less: Impairment losses					
- Third parties	(g)	(10,741,724)	(11,016,551)	-	-
- Related parties	(h)	-	(73,249)	-	-
- Subsidiaries	(i)	-	-	(6,721,178)	(6,325,193)
		(10,741,724)	(11,089,800)	(6,721,178)	(6,325,193)
		55,040,773	28,051,892	31,966,696	31,031,276

(a) Trade receivables are classified as financial assets measured at amortised cost.

(b) The normal trade credit terms of trade receivables granted by the Group and by the Company range from 30 to 90 days (2022: 30 to 90 days) from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

14. TRADE RECEIVABLES (CONT'D.)

(c) The currency exposure profile of trade receivables is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	51,701,583	28,051,892	31,966,696	31,031,276
United States Dollar	1,325,100	-	-	-
Brunei Dollar	582,028	-	-	-
Bahraini Dinar	1,432,062	-	-	-
	55,040,773	28,051,892	31,966,696	31,031,276

(d) Sensitivity analysis of RM against foreign currencies at the end of each reporting period, assuming that all other variables remain constant, is as follows:

	Group	
	2023 RM	2022 RM
Effects of 10% changes to RM against foreign currencies		
Profit after tax	±255,000	Nil

(e) Third party receivables

(i) Impairment for third party receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on the following common credit risk characteristic which is age of customer relationship.

The expected loss rates are based on the historical credit losses experienced by the Group over the four year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the customers of the Group. The Group has identified the base lending rate, unemployment rate, inflation rate and labor force participation as the key macroeconomic factors.

During the financial year, the Group identified changes in key macroeconomic factors for the purpose of determining forward-looking information affecting the measurement of expected credit losses.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Management exercised judgements in determining the probability of default by trade receivables and appropriate forward-looking information.

14. TRADE RECEIVABLES (CONT'D.)

(e) Third party receivables (Cont'd.)

(ii) Lifetime expected loss provision for third party receivables of the Group is as follows:

Group	Gross carrying amount RM	Total allowance RM	Net carrying amount RM
2023			
Current	34,682,525	(386,986)	34,295,539
Past due:			
1 to 30 days	7,623,846	-	7,623,846
31 to 60 days	3,559,108	-	3,559,108
More than 60 days	19,917,018	(10,354,738)	9,562,280
	31,099,972	(10,354,738)	20,745,234
	65,782,497	(10,741,724)	55,040,773
2022			
Current	12,116,283	-	12,116,283
Past due:			
1 to 30 days	3,279,185	(9,508)	3,269,677
31 to 60 days	1,819,964	(21,051)	1,798,913
More than 60 days	12,572,863	(10,985,992)	1,586,871
	17,672,012	(11,016,551)	6,655,461
	29,788,295	(11,016,551)	18,771,744

(f) Related party and subsidiaries receivables

Impairment for related party and subsidiaries receivables that do not contain a significant financing component were recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis were recognised.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information.

14. TRADE RECEIVABLES (CONT'D.)

(f) Related party and subsidiaries receivables (Cont'd.)

Evidence that a financial asset is credit impaired includes the following observable data:

- (i) Significant financial difficulties of the debtor;
- (ii) It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- (iii) The disappearance of an active market for a security because of financial difficulties.

The probability of non-payment by the related parties is adjusted by forward-looking information as stated in Note 14(e)(i) and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the related parties.

It requires management to exercise judgement in determining the probability of default by related parties, appropriate forward looking information and significant increase in credit risk.

(g) Movements in the lifetime expected credit loss for third party receivables are as follows:

	Group	
	2023 RM	2022 RM
At 1 April 2022/2021	11,016,551	17,431,011
Charge for the financial year	389,178	270,096
Reversal of impairment losses	(519,148)	(455,636)
Written off	(144,857)	(6,228,920)
At 31 March 2023/2022	10,741,724	11,016,551

(h) Movements in the impairment allowance for related party receivables are as follows:

Group	12-month expected credit loss RM	Lifetime expected credit loss		Total allowance RM
		Not credit- impaired RM	Credit- impaired RM	
At 1 April 2021	74,648	19,672	84,483	178,803
Reversal of impairment losses	(4,849)	(19,672)	(81,033)	(105,554)
At 31 March/1 April 2022	69,799	-	3,450	73,249
Reversal of impairment losses	(69,799)	-	(3,450)	(73,249)
At 31 March 2023	-	-	-	-

14. TRADE RECEIVABLES (CONT'D.)

(i) Movements in the impairment allowance for subsidiaries receivables are as follows:

Company	12-month expected credit loss RM	Lifetime expected credit loss		Total allowance RM
		Not credit- impaired RM	Credit- impaired RM	
At 1 April 2021	27,677	-	1,913,411	1,941,088
Charge for the financial year	-	4,029,925	354,180	4,384,105
Transfer to life time ECL - not credit impaired	-	342,795	(342,795)	-
Transfer to 12-mth ECL	632,864	-	(632,864)	-
At 31 March/1 April 2022	660,541	4,372,720	1,291,932	6,325,193
Charge for the financial year	-	-	395,985	395,985
Transfer to life time ECL - credit impaired	-	(3,670,659)	3,670,659	-
Transfer to 12-mth ECL	702,061	(702,061)	-	-
At 31 March 2023	1,362,602	-	5,358,576	6,721,178

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period. The Group considers advance to be credit impaired when the related parties advance is 90 days past due.

(j) As at the end of each reporting period, no collateral has been obtained by the Group. Thus, the maximum credit risk exposure is equivalent to the gross carrying amount of trade receivables of the Group.

(k) The credit risk concentration profile of the trade receivables at the end of the reporting period are as follows:

	Group			
	2023		2022	
	RM	% of total	RM	% of total
By country				
Malaysia	51,701,583	93.93%	28,042,602	99.97%
Singapore	-	-	9,290	0.03%
Brunei	582,028	1.06%	-	-
Bahrain	1,432,062	2.60%	-	-
Vietnam	1,325,100	2.41%	-	-
	55,040,773	100.00%	28,051,892	100.00%

	Company			
	2023		2022	
	RM	% of total	RM	% of total
By country				
Malaysia	31,966,696	100.0%	31,031,276	100.00%

14. TRADE RECEIVABLES (CONT'D.)

- (k) The credit risk concentration profile of the trade receivables at the end of the reporting period are as follows: (Cont'd.)

At the end of the reporting period, approximately 59% (2022: 43%) of the trade receivables of the Group were due from three (3) customers (2022: three (3) customers).

At the end of the reporting period, the Company does not have significant concentration of credit risk other than related parties of RM31,966,696 (2022: RM31,031,276), which contributes 100% (2022: 100%) of total receivables of the Company.

- (l) Included in trade receivables of the Group, is an amount of RM26,180,576 that are due from related parties.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	7,739,233	9,905,974	884,518	858,597
Deposits	802,563	820,180	119,138	320,613
Less: Accumulated impairment losses	(3,450)	-	-	-
	8,538,346	10,726,154	1,003,656	1,179,210
Prepayments	22,746,732	9,954,655	899,928	1,108,065
	31,285,078	20,680,809	1,903,584	2,287,275

- (a) Other receivables and deposits are classified as financial assets measured at amortised cost.
- (b) Included in prepayments, is an amount of RM6,000,000 being the downpayment made for the purchase of investment properties.
- (c) The currency exposure profile of other receivables and deposits is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	8,527,119	10,384,509	1,003,656	1,179,210
Indonesian Rupiah	-	341,645	-	-
Bahraini Dinar	11,227	-	-	-
	8,538,346	10,726,154	1,003,656	1,179,210

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D.)

- (d) Sensitivity analysis of RM against foreign currencies at the end of each reporting period, assuming that all other variables remain constant, is as follows:

	Group	
	2023 RM	2022 RM
Effects of 10% changes to RM against foreign currencies		
Profit after tax	±1,000	±26,000

- (e) Impairment for other receivables and deposits are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 14(f) to the financial statements.
- (f) The reconciliation of movement in allowance for impairment accounts in other receivables of the Group is as follows:

Group	Lifetime expected credit loss	Total allowance RM
	Credit- impaired RM	
At 1 April 2022	-	-
Charge for the financial year	3,450	3,450
At 31 March 2023	3,450	3,450

No expected credit losses is recognised arising from other receivables and deposits of the Company as it is negligible.

- (g) Included in other receivables of the Group and of the Company, are an amount of RM61,148 and RM15,731 respectively that are due from related parties.

16. CONTRACT ASSETS

	Note	Group	
		2023 RM	2022 RM
Aggregate contract costs incurred to date		31,247,440	18,408,776
Add: Attributable profits		55,348,118	57,373,948
		86,595,558	75,782,724
Less: Progress billings		(50,192,938)	(59,291,545)
Less: Impairment losses		(96,021)	(96,021)
		36,306,599	16,395,158
Represented by:			
Contract assets			
Projects		36,306,599	17,285,819
Contract liabilities			
Projects	29	-	(890,661)
		36,306,599	16,395,158

(a) Projects

Projects represent the timing differences in revenue recognition and milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

(b) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 14(e)(i) to the financial statements.

(c) Movements in the lifetime expected credit loss for contract asset are as follows:

	Group	
	2023 RM	2022 RM
At 1 April 2022/2021	96,021	78,651
Charge for the financial year	-	17,370
At 31 March 2023/2022	96,021	96,021

17. AMOUNT OWING BY/(TO) FORMER ULTIMATE HOLDING COMPANY

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Amount owing by former ultimate holding company	-	28,213,823	-	1,079,390
Less: Impairment losses	-	(139,230)	-	-
	-	28,074,593	-	1,079,390
Amount owing to former ultimate holding company	-	(37,659)	-	-

- (a) Amount owing by/(to) former ultimate holding company was classified as a financial asset/(liability) measured at amortised cost.
- (b) Amount owing by/(to) former ultimate holding company represented payments made on behalf, were unsecured, interest-free and collectible/payable within twelve months in cash and cash equivalents.
- (c) All amounts owing by/(to) former ultimate holding company of the Group and the Company were denominated in RM.
- (d) Impairment for amount owing by former ultimate holding company was recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 14(f) to the financial statements.
- (e) The reconciliation of movements in allowance for impairment accounts is as follows:

	Group		Company	
	12-month expected credit loss			
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 April 2022/2021	139,230	58,458	-	17,603
Charge for the financial year	-	100,000	-	-
Reversal of impairment losses	(139,230)	(19,228)	-	(17,603)
At 31 March 2023/2022	-	139,230	-	-

- (f) The maturity profile of amount owing to former ultimate holding company of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligation is repayable within one year.

18. AMONUT OWING BY/(TO) FORMER IMMEDIATE HOLDING COMPANY

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Amount owing by former immediate holding company	-	36,764	-	-
Less: Impairment losses	-	-	-	-
	-	36,764	-	-
Amount owing to former immediate holding company	-	(793,765)	-	(789,075)

- (a) Amount owing by/(to) former immediate holding company was classified as a financial asset/(liability) measured at amortised cost.
- (b) Amount owing by/(to) former immediate holding company represented payments made on behalf, which were unsecured, interest-free and collectible/payable within twelve months in cash and cash equivalents.
- (c) All amounts owing by/(to) former immediate holding company of the Group and the Company were denominated in RM.
- (d) Impairment for amount owing by former immediate holding company was recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 14(f) to the financial statements.
- (e) The reconciliation of movements in allowance for impairment accounts is as follows:

	Group		Company	
	12-month expected credit loss			
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 April 2022/2021	-	14,101	-	12,083
Reversal of impairment losses	-	(14,101)	-	(12,083)
At 31 March 2023/2022	-	-	-	-

- (f) The maturity profile of amount owing to former immediate holding company of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligation is repayable within one year.

19. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Amounts owing by subsidiaries	111,998,413	108,283,263
Less: Impairment losses	(68,905,332)	(65,408,358)
	43,093,081	42,874,905
Amounts owing to subsidiaries	254,177	-

- (a) Amounts owing by/(to) subsidiaries are classified as financial assets/(liabilities) measured at amortised cost.
- (b) Amounts owing by/(to) subsidiaries represent management fees, advances and payments made on behalf, which are unsecured, interest-free and collectible/payable within twelve months in cash and cash equivalents.
- (c) All amounts owing by/(to) subsidiaries are denominated in RM.
- (d) Impairment for amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 14(f) to the financial statements. Management has made significant judgements in determining the probability of default by subsidiaries, appropriate forward-looking information and significant increase in credit risk.
- (e) The reconciliation of movements in allowance for impairment accounts is as follows:

Company	12-month expected credit loss RM	Lifetime expected credit loss		Total allowance RM
		Not credit- impaired RM	Credit- impaired RM	
At 31 March/1 April 2021	10,171	-	65,852,116	65,862,287
Charge for the financial year	-	926,964	-	926,964
Transfer to life time ECL - not credit impaired	(10,171)	64,911,233	(64,901,062)	-
Transfer to 12-mth ECL	882,340	-	(882,340)	-
Reversal of impairment losses	-	(1,380,893)	-	(1,380,893)
At 31 March/1 April 2022	882,340	64,457,304	68,714	65,408,358
Charge for the financial year	26,070	-	4,004,046	4,030,116
Transfer to 12-mth ECL	937,135	(937,135)	-	-
Reversal of impairment losses	(533,142)	-	-	(533,142)
At 31 March 2023	1,312,403	63,520,169	4,072,760	68,905,332

- (f) The maturity profile of amounts owing to subsidiaries of the Company at the end of the reporting period based on contractual undiscounted repayment obligation is repayable within one year.

20. AMOUNTS OWING BY/(TO) JOINTLY-CONTROLLED ENTITY

- (a) Amounts owing by/(to) jointly-controlled entity are classified as financial asset/(liability) measured at amortised cost.
- (b) Amounts owing by/(to) jointly-controlled entity represent management fees, advances and payments made on behalf, which are unsecured, interest-free and collectible/payable within twelve months in cash and cash equivalents.
- (c) All amounts owing by/(to) jointly-controlled entity are denominated in RM.
- (d) Impairment for amounts owing by jointly-controlled entity are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 14(f) to the financial statements.

No expected credit loss is recognised arising from owing by jointly-controlled entity as it is negligible.

- (e) The maturity profile of amounts owing to jointly-controlled entity of the Group at the end of the reporting period based on contractual undiscounted repayment obligation is repayable within one year.

21. CASH & BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	28,219,806	58,632,489	254,296	1,162,808
Deposits with licensed banks	5,456,435	4,489,664	-	-
	33,676,241	63,122,153	254,296	1,162,808

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Included in deposits with licensed banks of the Group are amounts of RM5,456,435 (2022: RM4,489,664) pledged to licensed banks for credit facilities granted to the Group as disclosed in Note 25 to the financial statements.
- (c) The interest rate profile and weighted average effective interest rates ("WAEIR") per annum of deposits placed with licensed banks are as follows:

	Group			
	2023		2022	
	WAEIR %	RM	WAEIR %	RM
Fixed rates				
Deposits placed with licensed banks	3.10	5,456,435	1.64	4,489,664

Sensitivity analysis for fixed rate deposits placed with licensed banks at the end of the reporting period is not presented as it is not affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

31 March 2023

21. CASH & BANK BALANCES (CONT'D.)

- (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	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	28,219,806	58,632,489	254,296	1,162,808
Deposits with licensed banks	5,456,435	4,489,664	-	-
	33,676,241	63,122,153	254,296	1,162,808
Less: Deposits pledged to licensed banks	(5,456,435)	(4,489,664)	-	-
Bank overdraft (Note 24)	(2,477,634)	(2,480,819)	-	-
	25,742,172	56,151,670	254,296	1,162,808

- (e) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	33,416,906	63,104,297	254,296	1,162,808
Indonesian Rupiah	17,746	17,856	-	-
Singapore Dollar	4,467	-	-	-
Bahraini Dinar	161,974	-	-	-
United States Dollar	75,148	-	-	-
	33,676,241	63,122,153	254,296	1,162,808

- (f) Sensitivity analysis of RM against foreign currencies at the end of each reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2023 RM	2022 RM
Effects of 10% changes to RM against foreign currencies		
Profit after tax	±20,000	±1,000

- (g) No expected credit losses were recognised arising from the cash and bank balances because the probability of default by these financial institutions were negligible.

22. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	RM	Number of shares	RM
Issued and fully paid				
As at 1 April 2022/2021	1,067,397,460	161,896,279	241,290,340	105,582,794
Ordinary shares issued pursuant to private placement	-	-	97,036,100	53,369,855
Ordinary shares issued pursuant to bonus issue	-	-	727,771,020	-
Ordinary shares issued under Employee Share Grant Plan	4,998,700	4,363,249	1,300,000	2,943,630
As at 31 March 2023/2022	1,072,396,160	166,259,528	1,067,397,460	161,896,279

- (a) During the financial year, the issued and fully paid-up ordinary shares of the Company were increased from 1,067,397,460 to 1,072,396,160 ordinary shares by way of issuance of 4,998,700 new ordinary shares under Employee Share Grant Plan at exercise prices ranging from RM0.54 to RM1.0182 per ordinary share at no consideration.
- (b) 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 residual assets of the Company.

23. RESERVES

	Group	
	2023 RM	2022 RM
<u>Non-distributable:</u>		
Exchange translation reserve	(214,324)	38,160

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

24. BORROWINGS

	Group	
	2023 RM	2022 RM
Current liabilities		
Bank overdraft	2,477,634	2,480,819
Trust receipts (Note 25)	25,527,019	25,433,617
	28,004,653	27,914,436

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings are denominated in RM.
- (c) The table below summarises the maturity profile of the borrowings at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM	One to five years RM	Total RM
31 March 2023			
Bank overdraft	2,477,634	-	2,477,634
Trust receipts	26,091,563	-	26,091,563
Total undiscounted financial liabilities	28,569,197	-	28,569,197
31 March 2022			
Bank overdraft	2,480,819	-	2,480,819
Trust receipts	25,868,221	-	25,868,221
Total undiscounted financial liabilities	28,349,040	-	28,349,040

- (d) The bank overdraft of the Group is secured by the corporate guarantee given by the Company.
- (e) Bank overdraft and trust receipts of the Group are subject to floating weighted average effective interest rates of 7.30% (2022: 6.89%) and 7.42% (2022: 6.14%) per annum respectively.
- (f) Sensitivity analysis of interest rates at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2023 RM	2022 RM
Effects of 100bp changes to profit after tax		
Floating rate instruments	±212,835	±211,512

25. TRUST RECEIPTS

The trust receipts are secured by the following:

- (a) Pledge of deposits as disclosed in Note 21 to the financial statements; and
- (b) Corporate guarantee from the former ultimate holding company.

26. OTHER PAYABLES AND PROVISION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Provision for restoration cost	183,084	157,548	183,084	157,548
Current				
Other payables and accruals	24,558,412	13,968,866	1,551,478	2,464,902
Refundable deposits	2,000	-	-	-
	24,560,412	13,968,866	1,551,478	2,464,902
	24,743,496	14,126,414	1,734,562	2,622,450

- (a) Other payables, deposits and accruals are classified as financial liabilities measured at amortised cost.
- (b) A reconciliation of the provision for restoration cost is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 April 2022/2021	157,548	157,548	157,548	157,548
Unwinding of discount	25,536	-	25,536	-
At 31 March 2023/2022	183,084	157,548	183,084	157,548

Under the provision of lease agreements, the Group and the Company have obligations to dismantle and remove refurbishments on the demised premise and restore it at the end of the lease term to an acceptable condition. The liabilities for restoration are recognised at present value of the compounded future expenditure estimated using current price and discounted using a discount rate of 7.8% per annum.

26. OTHER PAYABLES AND PROVISION (CONT'D.)

(c) The currency exposure profile of other payables and accruals (excluding provision) is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	23,756,906	13,612,538	1,551,478	2,464,902
Indonesia Rupiah	3,202	356,328	-	-
United Arab Emirates Dirham	14,707	-	-	-
Bahraini Dinar	4,687	-	-	-
Singapore Dollar	780,910	-	-	-
	24,560,412	13,968,866	1,551,478	2,464,902

(d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Effects of 10% changes to RM against foreign currencies				
Profit/(Loss) after tax	±61,000	±28,000	Nil	Nil

(e) The table below summarises the maturity profile of the other payables and provision at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM	More than five years RM	Total RM
31 March 2023			
Other payables	24,560,412	-	24,560,412
Provision	-	236,480	236,480
	24,560,412	236,480	24,796,892
31 March 2022			
Other payables	13,968,866	-	13,968,866
Provision	-	262,016	262,016
	13,968,866	262,016	14,230,882

26. OTHER PAYABLES AND PROVISION (CONT'D.)

- (e) The table below summarises the maturity profile of the other payables and provision at the end of the reporting period based on contractual undiscounted repayment obligations: (Cont'd.)

Company	On demand or within one year RM	More than five years RM	Total RM
31 March 2023			
Other payables	1,551,478	-	1,551,478
Provision	-	236,480	236,480
	1,551,478	236,480	1,787,958
31 March 2022			
Other payables	2,464,902	-	2,464,902
Provision	-	262,016	262,016
	2,464,902	262,016	2,726,918

- (f) Included in other payables of the Group and of the Company, are an amount of RM1,333,766 and RM246,544 respectively that are due from related parties.

27. LEASE LIABILITIES

Group	Balance as at 1.4.2022 RM	Lease modification RM	Additions RM	Lease termination RM	Lease payments RM	Interest expense RM	Lease concession RM	Balance as at 31.3.2023 RM
Carrying amount								
Buildings	2,405,223	141,456	2,029,374	-	(899,813)	277,996	-	3,954,236
Computer software and hardware	2,459,711	-	-	-	(1,670,745)	93,062	-	882,028
Motor vehicles	1,925,470	-	840,521	(670,265)	(803,929)	172,918	(5,232)	1,459,483
	6,790,404	141,456	2,869,895	(670,265)	(3,374,487)	543,976	(5,232)	6,295,747

Company	Balance as at 1.4.2022 RM	Lease modification RM	Additions RM	Lease termination RM	Lease payments RM	Interest expense RM	Lease concession RM	Balance as at 31.3.2023 RM
Carrying amount								
Buildings	2,102,756	-	2,029,374	-	(738,340)	263,575	-	3,657,365
Computer software and hardware	2,245,094	-	-	-	(1,515,404)	83,339	-	813,029
Motor vehicles	305,466	-	-	(122,516)	(192,195)	9,245	-	-
	4,653,316	-	2,029,374	(122,516)	(2,445,939)	356,159	-	4,470,394

27. LEASE LIABILITIES (CONT'D.)

Group	Balance as at 1.4.2021 RM	Lease modification RM	Additions RM	Lease termination RM	Lease payments RM	Interest expense RM	Balance as at 31.3.2022 RM
Carrying amount							
Buildings	2,765,639	31,119	-	-	(599,954)	208,419	2,405,223
Computer software and hardware	4,757,024	-	52,516	(315,084)	(2,255,135)	220,390	2,459,711
Motor vehicles	2,572,679	-	-	-	(810,835)	163,626	1,925,470
	10,095,342	31,119	52,516	(315,084)	(3,665,924)	592,435	6,790,404

Company	Balance as at 1.4.2021 RM	Lease modification RM	Additions RM	Lease termination RM	Lease payments RM	Interest expense RM	Balance as at 31.3.2022 RM
Carrying amount							
Buildings	2,383,371	-	-	-	(470,100)	189,485	2,102,756
Computer software and hardware	3,844,354	-	-	-	(1,790,931)	191,671	2,245,094
Motor vehicles	612,027	-	-	-	(339,135)	32,574	305,466
	6,839,752	-	-	-	(2,600,166)	413,730	4,653,316

Represented by:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current liabilities	1,723,113	2,670,003	1,344,021	1,992,568
Non-current liabilities	4,572,634	4,120,401	3,126,373	2,660,748
	6,295,747	6,790,404	4,470,394	4,653,316
Lease liabilities owing to financial institutions	2,062,636	2,954,945	813,029	2,276,578
Lease liabilities owing to non-financial institutions	4,233,111	3,835,459	3,657,365	2,376,738
	6,295,747	6,790,404	4,470,394	4,653,316

- (a) Lease liabilities are classified as financial liabilities measured at amortised cost.
- (b) All lease liabilities are denominated in RM.

27. LEASE LIABILITIES (CONT'D.)

- (c) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Weighted average incremental borrowing rate per annum %	On demand or within one year	One to five years	Over five years	Total RM
		RM	RM	RM	
31 March 2023					
Lease liabilities	3.00% - 8.58%	2,489,505	5,032,840	448,482	7,970,827
31 March 2022					
Lease liabilities	3.00% - 8.70%	3,063,076	4,807,280	140,380	8,010,736

Company	Weighted average incremental borrowing rate per annum %	On demand or within one year	One to five years	Over five years	Total RM
		RM	RM	RM	
31 March 2023					
Lease liabilities	3.00% - 8.58%	1,668,443	3,367,440	280,620	5,316,503
31 March 2022					
Lease liabilities	3.00% - 8.58%	2,252,466	2,970,087	140,380	5,362,933

28. TRADE PAYABLES

- (a) Trade payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days (2022: 30 days to 90 days) from date of invoice.
- (c) The currency exposure profile of trade payables is as follows:

	Group	
	2023 RM	2022 RM
Ringgit Malaysia	16,811,510	23,653,915
United States Dollar	542,299	113,607
	17,353,809	23,767,522

28. TRADE PAYABLES (CONT'D.)

- (d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2023 RM	2022 RM
Effects of 10% changes to RM against foreign currencies		
Profit after tax	±43,000	±10,000

- (e) Included in trade payables of the Group, is an amount of RM3,627,730 that are due from related parties.
- (f) The maturity profile of trade payables of the Group at the end of the reporting period based on contractual undiscounted repayment obligation is repayable within one year.

29. CONTRACT LIABILITIES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Contract liabilities in relation to:					
Projects	16	-	890,661	-	-
Deferred income:					
- maintenance income		26,038,579	16,417,131	140,857	428,932
		26,038,579	17,307,792	140,857	428,932

- (a) Contract liabilities are the obligations to transfer goods or services to customers for which the Group and the Company have received the consideration, the fair values at initial recognition, or has billed the customers. For projects, contract liabilities are excess of the progress billings to customers over the project costs incurred plus profit accrued. Deferred maintenance income and software licensing fees are billings have been made to the customers before the services are provided to the customers.
- (b) The amounts of RM16,417,131 (2022: RM16,664,542) of the Group and RM428,932 (2022: RM597,279) of the Company recognised in contract liabilities at the beginning of the financial year have been recognised as revenue for current financial year.

29. CONTRACT LIABILITIES (CONT'D.)

- (c) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group		Company	
	Within 1 year RM	Between 1 and 4 years RM	Within 1 year RM	Between 1 and 4 years RM
2023				
Maintenance income	23,434,390	2,604,189	140,857	-
2022				
Projects	890,661	-	-	-
Maintenance income	15,602,312	814,819	428,932	-
	16,492,973	814,819	428,932	-

30. AMOUNTS OWING TO FORMER RELATED COMPANIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade	-	1,057,105	-	-
Non-trade	-	321,527	-	146,593
	-	1,378,632	-	146,593

- (a) Amounts owing to former related companies are classified as financial liabilities measured at amortised cost.
- (b) The trade amounts owing to former related companies are unsecured, interest-free and payable within twelve months in cash and cash equivalents. Credit terms of trade amounts owing to former related companies granted to the Group are 30 days (2022: 30 days) from date of invoice.
- (c) The non-trade amounts owing to former related companies mainly comprise of payments on behalf which are unsecured, interest-free and payable within twelve month in cash and cash equivalents.
- (d) All amounts owing to former related companies are denominated in RM.
- (e) The maturity profile of amounts owing to former related companies of the Group and the Company at the end of the reporting period based on contractual undiscounted repayment obligation is repayable within one year.

31. CONTINGENT LIABILITIES

	Company	
	2023 RM	2022 RM
Corporate guarantees given to banks for credit facilities granted to subsidiaries		
- Limit of guarantee	53,000,000	37,500,000
- Amount utilised	(31,077,427)	(26,035,117)

The Company designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Company 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 Company 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.

The Directors are of the view that the chances of the bank to call upon the corporate guarantees are not probable. Accordingly, the fair values of the above corporate guarantees given to subsidiaries for credit facilities are negligible.

32. CAPITAL COMMITMENTS

	Group	
	2023 RM	2022 RM
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	24,000,100	-

33. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers:				
Projects	91,132,112	62,357,486	-	987,790
Maintenance income	42,273,022	41,502,078	1,892,660	1,486,619
Sales of hardware equipment and software	114,803,860	113,492,534	-	-
Management fees	239,521	958,080	5,367,120	4,246,080
Software licensing fees	-	-	100,000	250,000
Integration charges	-	-	500,016	480,536
	248,448,515	218,310,178	7,859,796	7,451,025
Other revenue				
Dividend income	86,937	50,600	6,524,770	50,600
	248,535,452	218,360,778	14,384,566	7,501,625
Timing of revenue recognition				
Transferred over time	133,405,134	103,859,564	1,992,660	2,724,409
Transferred at a point in time	115,043,381	114,450,614	5,867,136	4,726,616
	248,448,515	218,310,178	7,859,796	7,451,025

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

(a) Projects

Projects may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from projects is measured at the fixed transaction price agreed under the agreement.

The Group determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, the Group estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group recognises revenue over time using an input method by reference to the labour hours expended relative to the total expected labour hours for satisfaction of that performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group.

33. REVENUE (CONT'D.)

(a) Projects (Cont'd.)

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group also estimates total performance period in applying the input method to recognise revenue over time. In estimating total performance period to complete, the Group considers the completeness and accuracy of its performance period estimation, including performance period for contract variations.

(b) Maintenance income

Revenue from sale of maintenance and software support services rendered is recognised over time throughout the period of contracts using an input method. Income for the expired period is recognised in the profit or loss on accrual basis and income relating to the unexpired period is carried forward as deferred maintenance income.

(c) Sales of hardware equipment and software

Revenue from sales of hardware equipment and software is recognised at a point in time when the hardware and software has been transferred to the customer and coincides with the delivery of products and acceptance by customers.

Some contracts include multiple deliverables, such as the installation of hardware and/or software. In most cases, the installation is simple, does not include an integration service and could be performed by another party. Therefore, it is accounted for as a separate performance obligation. The transaction price will be allocated to each performance obligation based on stand-alone selling prices. Where these are not directly observable, they are estimated based on cost plus expected margin. If contracts include the installation of hardware and software, the revenue for installation services are recognised at a point in time when the customer has accepted the installation of the hardware or software.

There is no significant financing component in the revenue arising from sales of hardware and software as the sales are made on the normal credit terms not exceeding twelve months.

(d) Management fees

Management fees are recognised at a point in time when management services is rendered and acceptance by customers.

(e) Software licensing fees

Revenue from sale of internally developed software licensing is recognised over the period of the contract when the customers activate or upon acceptance of delivery of the access code to customers. Such performance obligation is met over time as customer simultaneously receives and consumes benefits of services as and when the Company grants the right to access of the software license as well as keeps possession of the software.

(f) Integration charges

Revenue from sale of integration charges is recognised at a point in time when the services has been rendered to the customers and coincides with the delivery of services and acceptance by customers.

There is no significant financing component in the revenue arising from services rendered as the services are made on the normal credit terms not exceeding twelve months.

(g) Dividend income

Dividend income is recognised when the right of the Group and the Company to receive payment is established.

34. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- trust receipt	930,266	930,348	-	-
- lease liabilities	543,976	592,435	356,159	413,730
- bank overdraft	180,774	193,549	-	-
- unwinding of interest	25,536	-	25,536	-
	1,680,552	1,716,332	381,695	413,730
Included in cost of sales	-	(261,910)	-	-
	1,680,552	1,454,422	381,695	413,730

35. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense based on profit for the financial year	2,992,967	4,601,399	-	-
Under/(Over) provision in prior years	333,535	121,704	301,203	(98,391)
	3,326,502	4,723,103	301,203	(98,391)
Deferred tax (Note 12)				
Relating to origination on and reversal of temporary differences	2,357,390	4,728,289	-	-
Under/(Over) provision in prior years	206,200	(679,402)	-	-
	2,563,590	4,048,887	-	-
	5,890,092	8,771,990	301,203	(98,391)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profit for the fiscal year.

35. TAXATION (CONT'D.)

- (b) Numerical reconciliation between the taxation and the product of accounting profit/(loss) multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	7,661,644	8,215,437	140,754	(899,526)
Tax effects in respect of:				
Non-deductible expenses	5,651,548	7,862,031	2,566,085	1,548,339
Income not subject to tax	(5,972,329)	(3,399,224)	(2,500,791)	(338,539)
Deferred tax assets not recognised during the year	2,723	189,499	-	-
Utilisation of deferred tax assets previously not recognised	(1,993,229)	(3,538,055)	(206,048)	(310,274)
	5,350,357	9,329,688	-	-
Under/(Over) provision of tax in prior years:				
Income tax	333,535	121,704	301,203	(98,391)
Deferred tax	206,200	(679,402)	-	-
	539,735	(557,698)	301,203	(98,391)
	5,890,092	8,771,990	301,203	(98,391)

- (c) Tax on each component of other comprehensive income is as follows:

	Group		
	Before tax RM	Tax effect RM	After tax RM
Items that may be reclassified subsequently to profit or loss			
2023			
Foreign currency translations	(249,435)	-	(249,435)
2022			
Foreign currency translations	681	-	681

36. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

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

	Group	
	2023	2022
Profit attributable to equity holders of the parent (RM)	25,858,677	25,469,946
Weighted average number of ordinary shares in issue (unit)	1,069,398,488	696,338,023
Basic earnings per ordinary share (sen)	2.42	3.66

(b) Diluted earnings per ordinary share

Diluted earnings per ordinary share is equal to basic earnings per ordinary share as there were no potential dilutive ordinary shares as at the end of the reporting period.

37. PROVISION FOR GRATUITY OBLIGATIONS

(a) 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.

(b) The amount recognised in the statements of financial position is as follows:

	Group	
	2023 RM	2022 RM
Present value of unfunded defined benefit obligations	-	2,067,883
Analysed as follows:		
Current liabilities	-	238,931
Non-current liabilities		
- more than 1 year and less than 2 years	-	280,287
- more than 2 years and less than 3 years	-	234,509
- more than 3 years and less than 4 years	-	407,263
- more than 4 years and less than 5 years	-	129,768
- more than 5 years	-	777,125
	-	1,828,952
	-	2,067,883

37. PROVISION FOR GRATUITY OBLIGATIONS (CONT'D.)

- (c) Movements during the financial year in the amount recognised in the statements of financial position in respect of the Scheme are as follows:

	Group	
	2023 RM	2022 RM
Balance as at 1 April 2022/2021	2,067,883	2,135,025
Current service cost recognised in profit or loss	1,403,351	(67,142)
Payment made via issuance of shares	(3,471,234)	-
Balance as at 31 March 2023/2022	-	2,067,883

- (d) The key assumptions used in the computation of the provision are as follows:

	Group	
	2023	2022
Discount rate	-	3.71%
Salary increase rate	-	3.24%
Annual voluntary resignation rate	-	41.70% - 60.00%
Mortality rate	-	0.0003 - 0.0119
Normal retirement age	-	60 years

- (e) Significant assumptions for the determination of the present value of the gratuity obligations are discount rate, salary increase rate and annual voluntary resignation rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, assuming that all other assumptions remain constant.

	Group	
	2023 RM	2022 RM
Effects of 100bp changes in:		
- discount rate	-	±114,356
- salary increase rate	-	±128,007
- annual voluntary resignation rate	-	±38,980

Sensitivity analysis may not be representative of the actual change in the gratuity obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

38. DIVIDENDS

	Group and Company	
	2023	
	Dividend per share sen	Amount of dividend RM
First interim cash dividend paid	0.50	5,344,050

39. EMPLOYEE BENEFITS

Total employee benefits recognised in profit or loss are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages, bonuses and allowances	18,501,695	13,568,575	5,078,563	2,318,885
Defined contribution plan	2,242,387	1,620,796	577,545	269,141
Share options granted under Employee Share Grant Plan:				
- Directors	126,694	908,340	-	40,560
- Other employees	765,321	2,035,290	87,217	171,353
Provision/(Reversal) for gratuity obligations	1,403,351	(67,142)	-	-
Other employee benefits	2,928,046	2,151,540	386,360	885,979
	25,967,494	20,217,399	6,129,685	3,685,918

Remuneration of Directors and other key management personnel during the financial year are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' fees	872,686	776,406	73,613	47,196
Salaries and other short term employee benefits:				
- Directors	1,176,395	1,312,110	650,360	207,528
- Other key management personnel	3,344,709	3,743,098	1,833,184	2,121,004
	4,521,104	5,055,208	2,483,544	2,328,532

Estimated monetary value of benefits-in-kind provided to the Directors and key management personnel of both the Group and the Company are RM125,663 and RM9,275 respectively (2022: RM71,250 and RM21,250).

40. LONG-TERM INCENTIVE PLAN ("LTIP")

At an Extraordinary General Meeting held on 17 October 2014, the Directors were authorised to proceed with the establishment and administration of the Long Term Incentive Plan ("LTIP" or "Scheme"), which comprises an Employee Share Option Scheme ("ESOS") and an Employee Share Grant Plan ("ESGP") and is administered by the LTIP Committee which is appointed by the Board of Directors, in accordance with the By-Laws of the LTIP. The LTIP should be in force for a period of 5 years from 27 October 2014, unless extended further.

On 11 October 2019, in pursuant to the By-Laws 26.3 of the Company's LTIP By-Laws and upon the recommendation by the LTIP Committee, the Board of Directors resolved to extend its existing LTIP for a period of five (5) years commencing from 27 October 2019 on the same terms and conditions as stipulated in the said By-Laws.

The main features of the LTIP are as follows:

- (a) Eligible Directors and employees are those who are confirmed employees of the Company and/or its eligible subsidiaries and has attained the age of 18 years before the date of offer;
- (b) The maximum number of options to be issued under the LTIP should not exceed in aggregate 20% of the issued and paid-up ordinary share capital of the Company at any point of time during the tenure of the LTIP. In addition, any individual Director or employee's maximum entitlement should not exceed 10% of the ordinary shares of the Company;
- (c) Options granted may be exercised at any time within the option period of 18 months or 3 years from the date of offer;
- (d) In the case of the ESGP, the shares will be vested with the grantee at no consideration on the vesting date: while in the case of the ESOS, the option price of a new ordinary share should be the 5-day weighted average market prices of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad immediately preceding the date of offer or at RM0.10, whichever is higher; and
- (e) Options granted are not entitled to dividends or voting rights. Upon exercise of the options, the ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The options over the ordinary shares of the Company under ESOS was lapsed in financial year ended 31 March 2020.

During the current financial year, the Company awarded 4,998,700 new ordinary shares under ESGP to eligible employees of the Company.

41. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

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

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2023 RM	2022 RM
Former ultimate holding company		
Management fee income	239,520	958,080
Sales	26,532,178	34,398,449
Purchases	316,447	5,072
Management fee expense	416,100	1,216,800
Interest income	13,321	-
Former immediate holding company		
Office rental expense	36,720	48,960
Related parties		
Sales	1,237,133	4,530,672
Purchases of goods & services	3,205,061	1,773,041
Office rental expense	806,020	551,640
Secretarial fee	295,291	299,342
HR Services	278,070	250,510
Equipment rental expense	-	27,900
Interest income	47,713	-

41. RELATED PARTY DISCLOSURES (CONT'D.)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (Cont'd.)

	Company	
	2023 RM	2022 RM
Former ultimate holding company		
Management fee income	239,520	958,080
Management fee expense	416,100	1,216,800
Purchases	13,526	1,829
Interest income	13,321	-
Former immediate holding company		
Office rental expense	36,720	48,960
Subsidiaries		
Management fee income	5,127,600	3,288,000
Maintenance income	1,992,660	1,345,209
Integration income	500,016	480,536
Software licensing fee expense	19,429	15,132
Integration charges	1,500	460,919
Dividend income	6,437,833	-
Interest income	10,650	-
Related parties		
Purchases of goods & services	-	905,247
Office rental expense	701,620	421,140
HR Services	32,880	26,800
Secretarial fee expense	228,615	243,524
Interest income	47,713	-

Related parties transactions described above were carried out on terms and conditions mutually agreed with the respective related parties.

- (c) Key management personnel are the persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. This includes any Director, whether executive or otherwise, of the Group and of the Company.

The remuneration of the Directors and other members of key management are disclosed in the Note 39 to the financial statements.

42. CAPITAL AND FINANCIAL RISK MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

(a) Capital management

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity. The gearing ratios as at 31 March 2023 and 31 March 2022 are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Total borrowings (Note 24)	28,004,653	27,914,436	-	-
Total equity attributable to owners of the parent	226,109,122	201,256,311	114,645,116	115,340,645
Gearing ratio	12.39%	13.87%	-	-

Pursuant to the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up share capital of the Group. The Group has complied with this requirement for the financial year ended 31 March 2023.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from foreign currency risk, liquidity and cash flow risk, interest rate risk, credit risk and market risk.

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 financial risk management policies. The Group is exposed mainly to foreign currency risk, liquidity and cash flow risk, interest rate risk, credit risk and market risk. Information on the management of the related exposures is detailed below.

42. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Financial risk management (Cont'd.)

(i) Foreign currency risk

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

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

The sensitivity analysis for foreign currency risk has been disclosed in Notes 14, 15, 21, 26 and 28 to the financial statements respectively.

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group is actively managing its operating cash flows to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 11, 17, 18, 19, 20, 24, 26, 27, 28 and 30 to the financial statements respectively.

(iii) Interest rate risk

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

The primary interest rate risk of the Group relates to interest-earning deposits and interest-bearing borrowings from financial institutions. The fixed-rate deposit and borrowings of the Group are not exposed to a risk of changes in their fair values due to changes in interest rates. The floating rate borrowings of the Group are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not use derivative financial instruments to hedge its risk. The Group borrows in the desired currencies at both fixed and floating rates of interest.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 11, 21 and 24 to the financial statements respectively.

42. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Financial risk management (Cont'd.)

(iv) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable institutions and organisations. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month to three (3) months.

The credit risk profiles have been disclosed in Note 14(k) to the financial statements.

(v) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted income funds and quoted shares held by the Group. These instruments are classified as financial assets designated at fair value through profit or loss.

The sensitivity analysis of market risk has been disclosed in Note 10 to the financial statements.

43. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 30 May 2023, the Company had acquired 100% of the chartered and contributed capital of Microlink Solutions Vietnam Company Limited (formerly known as Omesti Vietnam Company Limited), a company incorporated in Vietnam that is engaged in consulting services, software implementation services, data processing services, database services and maintenance services.

44. ADOPTION OF NEW MFRSS AND AMENDMENT TO MFRSS

44.1 New MFRSS adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a contract</i>	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

44.2 New MFRSS that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.



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