

# Quarterly rpt on consolidated results for the financial period ended 31 Dec 2023

## MICROLINK SOLUTIONS BERHAD

Financial Year End 31 Mar 2024

Quarter 3 Qtr

Quarterly report for the financial period ended 31 Dec 2023

The figures have not been audited

### Attachments

[MSB - FY24Q3.pdf](#)  
168.4 kB

| Default Currency | Other Currency |
|------------------|----------------|
|------------------|----------------|

Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2023

|   |   | INDIVIDUAL PERIOD            |                                      | CUMULATIVE PERIOD                  |                                     |
|---|---|------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
|   |   | CURRENT YEAR QUARTER         | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE               | PRECEDING YEAR CORRESPONDING PERIOD |
|   |   | 31 Dec 2023                  | 31 Dec 2022                          | 31 Dec 2023                        | 31 Dec 2022                         |
|   |   | \$\$'000                     | \$\$'000                             | \$\$'000                           | \$\$'000                            |
| 1 | Revenue   | 69,581                       | 73,167                               | 204,046                            | 183,030                             |
| 2 | Profit/(loss) before tax  | -3,091                       | 8,246                                | 1,448                              | 24,131                              |
| 3 | Profit/(loss) for the period  | -3,637                       | 7,509                                | 195                                | 21,369                              |
| 4 | Profit/(loss) attributable to ordinary equity holders of the parent               | -3,365                       | 7,512                                | 467                                | 21,495                              |
| 5 | Basic earnings/(loss) per share (Subunit)   | -0.31                        | 0.70                                 | 0.04                               | 2.01                                |
| 6 | Proposed/Declared dividend per share (Subunit)                                    | 0.00                         | 0.00                                 | 0.00                               | 0.50                                |
|   |   | AS AT END OF CURRENT QUARTER |                                      | AS AT PRECEDING FINANCIAL YEAR END |                                     |
| 7 | Net assets per share attributable to ordinary equity holders of the parent (\$\$) | 0.2100                       |                                      | 0.2100                             |                                     |

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.  
Example for the subunit as follows:

| Country        | Base Unit | Subunit |
|----------------|-----------|---------|
| Malaysia       | Ringgit   | Sen     |
| United States  | Dollar    | Cent    |
| United Kingdom | Pound     | Pence   |

| Announcement Info |                            |
|-------------------|----------------------------|
| Company Name      | MICROLINK SOLUTIONS BERHAD |
| Stock Name        | MICROLN                    |
| Date Announced    | 29 Feb 2024                |
| Category          | Financial Results          |
| Reference Number  | FRA-27022024-00129         |



**MICROLINK SOLUTIONS BERHAD**

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

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

|   | <b>INDIVIDUAL QUARTER<br/>THREE MONTHS ENDED<br/>31 DECEMBER</b> |                                      | <b>CUMULATIVE PERIOD<br/>NINE MONTHS ENDED<br/>31 DECEMBER</b> |                                      |
|---|--|--------------------------------------|--|--------------------------------------|
|   | <b>2023<br/>RM'000<br/>Unaudited</b>                             | <b>2022<br/>RM'000<br/>Unaudited</b> | <b>2023<br/>RM'000<br/>Unaudited</b>                           | <b>2022<br/>RM'000<br/>Unaudited</b> |
| Revenue   | 69,581   | 73,167                               | 204,046  | 183,030                              |
| Cost of sales   | (60,717)   | (58,345)                             | (170,414)  | (131,692)                            |
| Gross profit  | 8,864  | 14,822                               | 33,632   | 51,338                               |
| Other operating income  | 273  | 5,217                                | 2,299  | 6,570                                |
| Selling and distribution expenses   | (352)  | (490)                                | (1,152)  | (1,427)                              |
| Administrative expenses   | (10,075)   | (8,918)                              | (27,111)   | (26,001)                             |
| Finance costs   | (755)  | (252)                                | (2,010)  | (1,065)                              |
| Other operating expenses  | (1,046)  | (2,133)                              | (4,210)  | (5,284)                              |
| <b>(Loss) / Profit before taxation</b>  | (3,091)  | 8,246                                | 1,448  | 24,131                               |
| Taxation  | (546)  | (737)                                | (1,253)  | (2,762)                              |
| <b>(Loss) / Profit for the period</b>   | (3,637)  | 7,509                                | 195  | 21,369                               |
| <b>Other comprehensive loss, net of tax<br/>- item that may be reclassified subsequently to profit or loss:</b> |  |                                      |  |                                      |
| Foreign currency translations for foreign operations, net of tax  | (139)  | (53)                                 | (190)  | (189)                                |
| <b>Other comprehensive loss for the period, net of tax</b>  | (139)  | (53)                                 | (190)  | (189)                                |
| <b>Total comprehensive (loss) / income for the period</b>   | (3,776)  | 7,456                                | 5  | 21,180                               |
| <b>(Loss) / Profit attributable to:</b>   |  |                                      |  |                                      |
| Owners of the parent  | (3,365)  | 7,512                                | 467  | 21,495                               |
| Non-controlling interests   | (272)  | (3)                                  | (272)  | (126)                                |
|   | (3,637)  | 7,509                                | 195  | 21,369                               |
| <b>Total comprehensive (loss) / income attributable to:</b>   |  |                                      |  |                                      |
| Owners of the parent  | (3,502)  | 7,464                                | 277  | 21,306                               |
| Non-controlling interests   | (274)  | (8)                                  | (272)  | (126)                                |
|   | (3,776)  | 7,456                                | 5  | 21,180                               |
| <b>Earnings per share (sen):</b>  |  |                                      |  |                                      |
| Basic   | (0.31)   | 0.70                                 | 0.04   | 2.01                                 |
| Diluted   | (0.31)   | 0.70                                 | 0.04   | 2.01                                 |

**Note:**

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

|  | <b>As At<br/>31 December 2023<br/>RM'000<br/>Unaudited</b> | <b>As At<br/>31 March 2023<br/>RM'000<br/>Audited</b> |
|--|--|---|
| <b>ASSETS</b>                                      |  |   |
| <b>Non-Current Assets</b>                          |  |   |
| Property, plant and equipment                      | 1,734  | 607   |
| Right-of-use assets                                | 3,267  | 3,989   |
| Goodwill   | 25,990   | 22,664  |
| Software development expenditure                   | 102,369  | 111,908   |
| Other investments                                  | 105  | 394   |
| Lease receivables                                  | 787  | 914   |
| Deferred tax assets                                | 1,847  | 1,847   |
|  | <u>136,099</u>   | <u>142,323</u>  |
| <b>Current Assets</b>                              |  |   |
| Inventories  | 9,748  | 1,342   |
| Contract costs                                     | 32,350   | 20,933  |
| Other investments                                  | 88   | 3,388   |
| Trade receivables                                  | 84,564   | 55,041  |
| Other receivables, deposits and prepayments        | 21,704   | 31,285  |
| Contract assets                                    | 43,564   | 36,307  |
| Lease receivables                                  | 225  | 212   |
| Amount owing by jointly-controlled entities        | -  | 543   |
| Current tax assets                                 | 14,175   | 10,617  |
| Cash and bank balances                             | 19,611   | 33,676  |
|  | <u>226,029</u>   | <u>193,344</u>  |
| <b>TOTAL ASSETS</b>                                | <b><u>362,128</u></b>                                      | <b><u>335,667</u></b>                                 |
| <b>EQUITY AND LIABILITIES</b>                      |  |   |
| <b>Equity attributable to owners of the Parent</b> |  |   |
| Share capital                                      | 166,259  | 166,259   |
| Reserves   | (404)  | (214)   |
| Retained Earnings                                  | 60,531   | 60,064  |
|  | <u>226,386</u>   | <u>226,109</u>  |
| <b>Non-controlling interests</b>                   | <u>(142)</u>   | <u>130</u>  |
| <b>TOTAL EQUITY</b>                                | <u>226,244</u>   | <u>226,239</u>  |
| <b>Non-Current Liabilities</b>                     |  |   |
| Deferred tax liability                             | 5,448  | 5,448   |
| Other payables and accruals                        | 183  | 183   |
| Lease liabilities                                  | 3,665  | 4,573   |
|  | <u>9,296</u>   | <u>10,204</u>   |
| <b>Current Liabilities</b>                         |  |   |
| Trade payables                                     | 21,069   | 17,354  |
| Other payables and accruals                        | 37,484   | 24,560  |
| Contract liabilities                               | 23,935   | 26,038  |
| Amount owing to jointly-controlled entities        | -  | 1,170   |
| Borrowings   | 42,718   | 28,005  |
| Lease liabilities                                  | 1,090  | 1,723   |
| Current tax liabilities                            | 292  | 374   |
|  | <u>126,588</u>   | <u>99,224</u>   |
| <b>TOTAL LIABILITIES</b>                           | <u>135,884</u>   | <u>109,428</u>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                | <b><u>362,128</u></b>                                      | <b><u>335,667</u></b>                                 |
| <b>Net assets per share (RM)</b>                   | <u>0.21</u>  | <u>0.21</u>   |

**Note:**

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

**MICROLINK SOLUTIONS BERHAD (200301018362 (620782 - P))**  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

|   | <----- Non-distributable -----> |  |                             |  |                                     |                        |
|---|---------------------------------|--|-----------------------------|--|-------------------------------------|------------------------|
|   | Share capital<br>RM'000         | Exchange Translation reserve<br>RM'000 | Retained Earnings<br>RM'000 | Total attributable to owners of the parent<br>RM'000 | Non-controlling interests<br>RM'000 | Total equity<br>RM'000 |
| <b>Unaudited</b>                                    |                                 |  |                             |  |                                     |                        |
| <b><u>9 months ended 31 December 2023</u></b>       |                                 |  |                             |  |                                     |                        |
| At 1 April 2023 (audited)                           | 166,259                         | (214)                                  | 60,064                      | 226,109  | 130                                 | 226,239                |
| Profit for the period                               | -                               | -                                      | 467                         | 467  | (272)                               | 195                    |
| Foreign currency translation for foreign operations | -                               | (190)                                  | -                           | (190)  | -                                   | (190)                  |
| Total comprehensive income for the period           | -                               | (190)                                  | 467                         | 277  | (272)                               | 5                      |
| At 31 December 2023                                 | 166,259                         | (404)                                  | 60,531                      | 226,386  | (142)                               | 226,244                |
| <b>Unaudited</b>                                    |                                 |  |                             |  |                                     |                        |
| <b><u>9 months ended 31 December 2022</u></b>       |                                 |  |                             |  |                                     |                        |
| At 1 April 2022 (audited)                           | 161,896                         | 38                                     | 39,322                      | 201,256  | 480                                 | 201,736                |
| Profit for the period                               | -                               | -                                      | 21,495                      | 21,495   | (126)                               | 21,369                 |
| Foreign currency translation for foreign operations | -                               | (189)                                  | -                           | (189)  | -                                   | (189)                  |
| Total comprehensive income for the period           | -                               | (189)                                  | 21,495                      | 21,306   | (126)                               | 21,180                 |
| <b>Transaction with owners</b>                      |                                 |  |                             |  |                                     |                        |
| Shares issued pursuant to Employee Share Grant Plan | 3,471                           | -                                      | -                           | 3,471  | -                                   | 3,471                  |
| Dividends paid                                      | -                               | -                                      | (5,344)                     | (5,344)  | (225)                               | (5,569)                |
| Total transactions with owners                      | 3,471                           | -                                      | (5,344)                     | (1,873)  | (225)                               | (2,098)                |
| At 31 December 2022                                 | 165,367                         | (151)                                  | 55,473                      | 220,689  | 129                                 | 220,818                |

**Note:**

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

**MICROLINK SOLUTIONS BERHAD (200301018362 (620782 - P))**  
**Incorporated in Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

(The figures have not been audited)

|  | <b>Current Year</b><br><b>9 months ended</b><br><b>31 December 2023</b><br><b>RM'000</b><br><b>Unaudited</b> | <b>Preceding Year</b><br><b>9 months ended</b><br><b>31 December 2022</b><br><b>RM'000</b><br><b>Unaudited</b> |
|--|--|--|
| <b>CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES</b>              |  |  |
| Profit before taxation   | 1,448  | 24,131   |
| Adjustments for non-cash items:                                      |  |  |
| Amortisation of software development expenditure                     | 11,877   | 6,188  |
| Interest expense   | 2,010  | 1,065  |
| Depreciation of right-of-use assets                                  | 728  | 1,030  |
| Depreciation of property, plant and equipment                        | 145  | 93   |
| Net unrealised loss on foreign exchange                              | 36   | -  |
| Net gain on disposal of quoted investments                           | (976)  | (5,090)  |
| Reversal of impairment loss on trade receivables                     | (563)  | -  |
| Interest income  | (374)  | (351)  |
| Reversal of impairment loss on contract assets                       | (96)   | -  |
| Fair Value (Gain) / Loss on Investment                               | (34)   | 979  |
| Dividend income  | (5)  | -  |
| Provision for gratuity obligation                                    | -  | 1,403  |
| Impairment losses on other receivable                                | -  | (1)  |
| Operating profit before working capital changes                      | 14,196   | 29,447   |
| Net changes in assets  | (40,020)   | (49,698)   |
| Net changes in liabilities   | 12,204   | 26,274   |
| Net cash (used in) / from operations                                 | (13,620)   | 6,023  |
| Interest received  | 65   | -  |
| Tax paid   | (5,786)  | (6,230)  |
| Tax refunded   | 1,106  | 510  |
| Net cash (used in) / from operating activities                       | (18,235)   | 303  |
| <b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>                |  |  |
| Acquisition of a subsidiary, net of cash acquired                    | 14   | 39   |
| Addition of software development expenditure                         | (1,579)  | (21,965)   |
| Interest received  | 309  | 351  |
| Dividend received  | 5  | -  |
| Placement of deposits pledged to licensed banks                      | (1,559)  | (586)  |
| Net disposal of other investments                                    | 4,310  | 4,082  |
| Purchase of property, plant and equipment                            | (1,279)  | (330)  |
| Net cash from / (used in) investing activities                       | 221  | (18,409)   |
| <b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>                |  |  |
| Dividend paid  | -  | (5,569)  |
| Interest paid  | (1,708)  | (711)  |
| Net drawdown/(repayment) of borrowings                               | 5,701  | (2,995)  |
| Payments of lease liabilities  | (1,843)  | (2,376)  |
| Net cash from / (used in) financing activities                       | 2,150  | (11,651)   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                     | (15,864)   | (29,757)   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>          | 25,742   | 56,152   |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b> | (368)  | (150)  |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>                | 9,510  | 26,245   |

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

**Note:**

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

**MICROLINK SOLUTIONS BERHAD (200301018362 (620782 - P))**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**

**A NOTES TO THE INTERIM FINANCIAL REPORT**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRSs") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("ACE Listing Requirements") and should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2023.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2022 except for the newly-issued accounting framework - MFRS and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2023:

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

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

**A2 Audit report of preceding annual financial statements**

The preceding audited financial statements for the financial year 31 March 2023 were not subjected to any qualification.

**A3 Seasonal or cyclical factors**

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

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

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

**A5 Material changes in estimates**

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

**A6 Dividend paid**

No dividend has been paid in the current quarter under review.

**A7 Segmental information**

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

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



## A NOTES TO THE INTERIM FINANCIAL REPORT (Cont'd)

### A7 Segmental information (Cont'd)

| Business Segments                               | Financial Services<br>RM'000 | Enterprise<br>Solutions<br>RM'000 | Distribution<br>Services<br>RM'000 | Solution<br>Delivery<br>RM'000 | Elimination<br>RM'000 | Consolidation<br>RM'000 |
|---|------------------------------|-----------------------------------|------------------------------------|--------------------------------|-----------------------|-------------------------|
| <b>9 months ended 31 December 2023</b>          |                              |                                   |                                    |                                |                       |                         |
| External sales                                  | 34,002                       | 34,305                            | 132,977                            | 2,762                          | -                     | 204,046                 |
| Inter-segment sales                             | 6,637                        | 315                               | 2,824                              | -                              | (9,776)               | -                       |
| Total   | 40,639                       | 34,620                            | 135,801                            | 2,762                          | (9,776)               | 204,046                 |
| <b>Results</b>                                  |                              |                                   |                                    |                                |                       |                         |
| Segment results                                 | 2,484                        | (5,152)                           | 6,478                              | 354                            | (1,080)               | 3,084                   |
| Interest expense                                | (891)                        | (166)                             | (969)                              | (1)                            | 17                    | (2,010)                 |
| Interest income                                 | 260                          | 1                                 | 122                                | 1                              | (10)                  | 374                     |
| Taxation  | (154)                        | (80)                              | (1,019)                            | -                              | -                     | (1,253)                 |
| <b>Profit / (Loss) for the financial period</b> | <b>1,699</b>                 | <b>(5,397)</b>                    | <b>4,612</b>                       | <b>354</b>                     | <b>(1,073)</b>        | <b>195</b>              |
| <b>Segment assets</b>                           | <b>235,872</b>               | <b>124,246</b>                    | <b>122,009</b>                     | <b>27,434</b>                  | <b>(140,118)</b>      | <b>369,443</b>          |
| <b>Segment liabilities</b>                      | <b>124,703</b>               | <b>105,230</b>                    | <b>139,796</b>                     | <b>18,034</b>                  | <b>(244,564)</b>      | <b>143,199</b>          |
| <b>9 months ended 31 December 2022</b>          |                              |                                   |                                    |                                |                       |                         |
| External sales                                  | 47,786                       | 43,327                            | 91,917                             | -                              | -                     | 183,030                 |
| Inter-segment sales                             | 4,574                        | 304                               | 8,849                              | 298                            | (14,025)              | -                       |
| Total   | 52,360                       | 43,631                            | 100,766                            | 298                            | (14,025)              | 183,030                 |
| <b>Results</b>                                  |                              |                                   |                                    |                                |                       |                         |
| Segment results                                 | 11,781                       | 14,446                            | 2,879                              | (2,428)                        | (1,833)               | 24,845                  |
| Interest expense                                | (479)                        | (10)                              | (575)                              | (1)                            | -                     | (1,065)                 |
| Interest income                                 | 137                          | 88                                | 123                                | 3                              | -                     | 351                     |
| Taxation  | (1,919)                      | 131                               | (573)                              | (401)                          | -                     | (2,762)                 |
| <b>Profit / (Loss) for the financial period</b> | <b>9,520</b>                 | <b>14,655</b>                     | <b>1,854</b>                       | <b>(2,827)</b>                 | <b>(1,833)</b>        | <b>21,369</b>           |
| <b>Segment assets</b>                           | <b>244,132</b>               | <b>113,521</b>                    | <b>91,997</b>                      | <b>24,085</b>                  | <b>(152,950)</b>      | <b>320,785</b>          |
| <b>Segment liabilities</b>                      | <b>136,773</b>               | <b>87,530</b>                     | <b>114,414</b>                     | <b>17,048</b>                  | <b>(255,798)</b>      | <b>99,967</b>           |

### A8 Valuation of property, plant and equipment

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

### A9 Material events subsequent to the end of the quarter

There were no material events announced subsequent to the end of the current financial period under review up to the date of this announcement.

### A10 Changes in the composition of the Group

On 30 May 2023, the Group has acquired Microlink Solution Vietnam Company Limited (formerly known as Omesti Vietnam Company Limited) from Bancore Asia Pte. Ltd.

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

### A11 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at 22 February 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this financial results).

### A12 Cash and bank balances

|   | Current year<br>as at<br>31 December 2023<br>RM'000 |
|---|---|
| Cash and bank balances                              | 12,596  |
| Fixed deposits with licensed financial institutions | 7,015   |
|   | 19,611  |
| Less: Fixed deposits pledged with licensed banks    | (7,017)   |
| Bank overdraft                                      | (3,084)   |
|   | 9,510   |

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

### B1 Review of performance

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

|                              | Individual Quarter         |         |          | Cumulative Period          |          |          |
|------------------------------|----------------------------|---------|----------|----------------------------|----------|----------|
|                              | 3 months ended 31 December |         |          | 9 months ended 31 December |          |          |
|                              | 2023                       | 2022    | Variance | 2023                       | 2022     | Variance |
|                              | RM'000                     | RM'000  | %        | RM'000                     | RM'000   | %        |
| Financial Services           | 9,947                      | 26,747  | -63%     | 40,639                     | 52,360   | -22%     |
| Enterprise Solutions         | 10,892                     | 18,643  | -42%     | 34,620                     | 43,631   | -21%     |
| Distribution Services        | 49,761                     | 35,692  | 39%      | 135,801                    | 100,766  | 35%      |
| Solution Delivery            | 962                        | 50      | 1824%    | 2,762                      | 298      | 827%     |
|                              | 71,562                     | 81,132  | -12%     | 213,822                    | 197,055  | 9%       |
| Less : Inter Segment Revenue | (1,981)                    | (7,965) |          | (9,776)                    | (14,025) |          |
| Total Group Revenue          | 69,581                     | 73,167  | -5%      | 204,046                    | 183,030  | 11%      |

The Group's revenue decreased by RM3.59 million in the current quarter under review as compared to the corresponding quarter of the proceeding year. The lower revenue was mainly attributable to lower order fulfilments and progress billings particularly in Financial Services and Enterprise Solutions segments.

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

|   | Individual Quarter         |         |          | Cumulative Period          |         |          |
|---|----------------------------|---------|----------|----------------------------|---------|----------|
|   | 3 months ended 31 December |         |          | 9 months ended 31 December |         |          |
|   | 2023                       | 2022    | Variance | 2023                       | 2022    | Variance |
|   | RM'000                     | RM'000  | %        | RM'000                     | RM'000  | %        |
| Financial Services                          | (305)                      | 884     | NA       | 1,853                      | 11,439  | -84%     |
| Enterprise Solutions                        | (3,333)                    | 9,468   | NA       | (5,317)                    | 14,524  | NA       |
| Distribution Services                       | 1,718                      | 915     | 88%      | 5,631                      | 2,427   | 132%     |
| Solution Delivery                           | 119                        | (1,298) | NA       | 354                        | (2,426) | NA       |
|   | (1,801)                    | 9,969   | NA       | 2,521                      | 25,964  | -90%     |
| Add : Elimination                           | (1,290)                    | (1,723) |          | (1,073)                    | (1,833) |          |
| (Loss) / Profit before taxation ("LBT/PBT") | (3,091)                    | 8,246   | NA       | 1,448                      | 24,131  | -94%     |

The Group's loss before taxation recorded during the quarter under review was mainly attributable to lower margin from the order fulfilments and progress billings as compared to the corresponding quarter in last year.

#### Material change in revenue and (loss) / profit before taxation for the quarter reported as compared with the immediate preceding quarter

|                                 | Current Quarter | Immediate Preceding Quarter | Change |
|---------------------------------|-----------------|-----------------------------|--------|
|                                 | RM'000          | RM'000                      | %      |
| Revenue                         | 69,581          | 77,533                      | -10%   |
| (Loss) / Profit before taxation | (3,091)         | 360                         | NA     |

The Group recorded decrease in revenue by RM7.95 million in the current quarter as compared to the immediate preceding quarter mainly attributable to lower order fulfilments and progress billings.

The loss before taxation of RM3.09 million in the current quarter was mainly attributable to lower margin from the order fulfilments and progress billings.

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

### B2 Prospects

The Group continues to enhance its capabilities by developing a range of digital solutions to meet clients' requirements through internal capabilities and in partnerships with strategic vendors. In the second half of 2023, the Group invested heavily in talented technical workforce to drive the business growth opportunities arising especially in Financial Services Industry and Telco-related projects.

Barring any unforeseen circumstances, the Board remains optimistic of the Group's performance in the current financial year with an immediate return to financial profitability in the coming quarters.

### B3 Profit forecast or guarantee

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

### B4 Income tax expense

|                         | Current quarter<br>31 December<br>2023<br>RM'000 | Cumulative<br>31 December<br>2023<br>RM'000 |
|-------------------------|--|---|
| Taxation - current year | 110  | (597)                                       |
| Taxation - prior year   | (656)  | (656)                                       |
| Deferred tax            | -  | -   |
| Total                   | <u>(546)</u>                                     | <u>(1,253)</u>                              |

The effective tax rates for the period under review is higher than statutory rate of 24% principally as profits of certain subsidiaries cannot be set-off against losses of other subsidiaries for tax purposes.

### B5 Unquoted investments and properties

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

### B6 Quoted securities

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

### B7 Corporate exercise and utilisation of proceeds

There is no corporate exercise announced but not completed during the period under review.

### B8 Group's borrowings and debt securities

The details of the Group's bank borrowings are as follows:

|                                      | As at<br>31 December<br>2023<br>RM'000 | As at<br>31 December<br>2022<br>RM'000 |
|--------------------------------------|--|--|
| <b>Current liabilities</b>           |  |  |
| <b>Secured:</b>                      |  |  |
| Short term bank borrowings - secured | 42,718                                 | 24,719                                 |
| Long term bank borrowings - secured  | -                                      | -                                      |
| Total borrowings                     | <u>42,718</u>                          | <u>24,719</u>                          |

Bank overdraft and trust receipts of the Group are subject to floating weighted average effective interest rates of 7.30% and 7.55%.

### B9 Off balance sheet financial instruments

Bank guarantees amounting to RM4.72 million have been issued.

### B10 Material litigation

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

### B11 Dividends

No dividend has been declared in respect of the current quarter under review.

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

B12 Earnings per share

Basic earnings per share

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

|   | Individual<br>Quarter<br>31 December<br>2023 | Cumulative<br>Quarter<br>31 December<br>2023 |
|---|--|--|
| Profit attributable to owners of the parent (RM)    | (3,365,000)                                  | 467,000                                      |
| Weighted average number of ordinary shares in issue | 1,072,396,160                                | 1,072,396,160                                |
| Basic earnings per share (sen)                      | <u>(0.31)</u>                                | <u>0.04</u>                                  |

B13 Authorisation for issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 20 February 2024.