



Expanding our **Reach**

Annual Report **2022**

Financial Statements

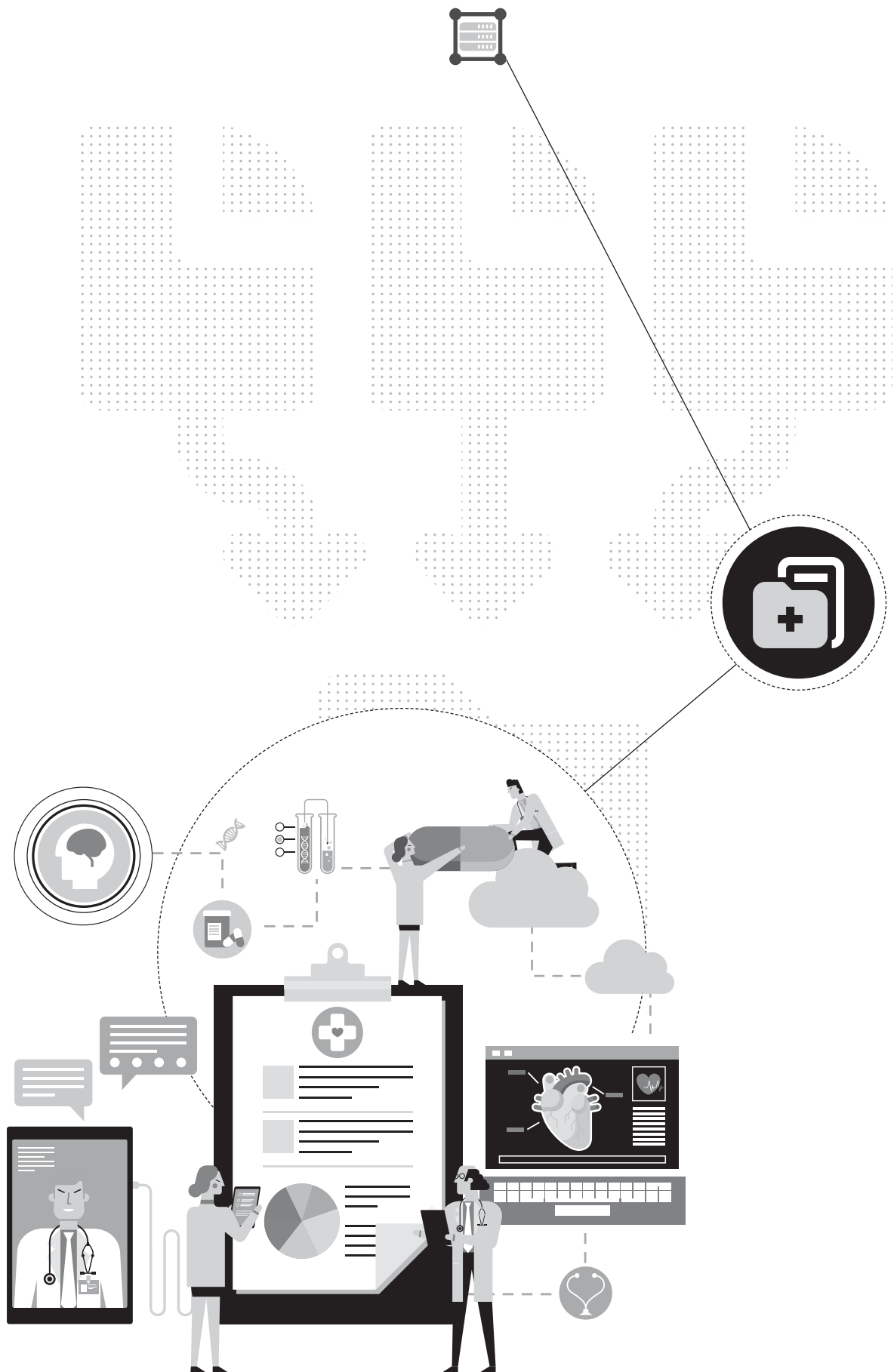
VOLUME 2

FINANCIAL STATEMENTS

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The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, the provision of management services and the provision of information technology services in terms of hardware, software, consultancy and maintenance to the telecommunication, oil and gas and government sectors. The principal activities and the details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year other than as disclosed in Note 7(c).

RESULTS

	Group RM	Company RM
Loss for the financial year	(8,893,702)	(39,920,449)
Attributable to:		
Owners of the parent	(20,169,230)	(39,920,449)
Non-controlling interests	11,275,528	–
	(8,893,702)	(39,920,449)

DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any payment of 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 other than those disclosed in Note 23 to the financial statements.

ISSUE OF SHARES & DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company has been increased from 532,478,635 to 534,189,735 ordinary shares by way of issuance of 1,711,100 ordinary shares pursuant to the Long-Term Incentive Plan (LTIP) to eligible employees as disclosed in Note 22 to the financial statements.

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

OPTIONS GRANTED OVER UNISSUED SHARES

LONG-TERM INCENTIVE PLAN (LTIP)

At an Extraordinary General Meeting held on 24 September 2013, the Directors were authorised to proceed with the establishment and administration of the LTIP, which comprises an Employee Share Option Scheme (ESOS) and an Employee Share Grant Plan (ESGP) and is administered by the LTIP Committee appointed by the Board of Directors, in accordance with the By-Laws of the LTIP. The LTIP shall be in force for a period of 5 years from 16 October 2013, unless extended further.

On 16 August 2018, 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 16 October 2018 on the same terms and conditions as stipulated in the said By-Laws.

The main features of the LTIP are disclosed in Note 39 to the financial statements.

During the financial year, the Company has awarded 1,711,100 new ordinary shares under the ESGP to eligible executive 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:

Omesti Berhad

YAM Tunku Zain Al-'Abidin Ibni Tuanku Muhriz

Dato' Sri Thong Kok Khee

Mah Xian-Zhen

Tan Wee Hoong

Monteiro Gerard Clair*

Danny Hoe Kam Thong

Tevanaigam Randy Chitty

Dato' Ahmad Nazim Bin Abd Rahman

Dato' Jaganath Derek Steven Sabapathy

Chia Yong Wei

Wan Mai Gan

Dato' Mah Siew Kwok

(Appointed on 16 March 2022)

(Resigned on 17 December 2021)

(Resigned on 30 June 2021)

(Resigned on 18 July 2022)

(Resigned on 18 July 2022)

(Resigned on 18 July 2022)

(Retired on 31 May 2021)

Subsidiaries of Omesti Berhad (excluding those who are already listed above)

Ch'ng Kai Fen

Chia Yong Wei*

Gan Khong Kiat

Dato' Jaganath Derek Steven Sabapathy*

Datuk Mohd Samsuri Bin Mohd Sohot

Martin Chu Leong Meng

Neo Poh Lian

Nik Shazni Farhan Bin Nik Mohammad Shah

Tun Arifin Bin Zakaria

Tai Keat Chai

Ajis

See Kar Fai

Nazri bin Ismail

DIRECTORS (CONT'D.)

The Directors who have held office during the financial year and up to the date of this report are as follows: (cont'd.)

Subsidiaries of Omesti Berhad (excluding those who are already listed above) (cont'd.)

Ku Azhar Bin Ku Abdul Razak	
Koay Soon Hoe	
Nguyen Nhat Binh	
Dato' Sri Mohammad Nadjion Bin Nasir	
Dato' Sri Chee Hong Leong	
Dato' Seri Mohd Khairi bin Dato' Mat Jahya	
Lim Bee Eng	
Thong Mei Chuen	
Ryan John Fernandez	(Appointed on 14 April 2021)
Dato' Ahmad Nasir Bin Abdul Gani	(Appointed on 1 June 2021)
Chan Kong Yew	(Appointed on 30 August 2021)
Ramlee bin Abdullah	(Appointed on 28 December 2021)
Tan Sri Mazlan bin Lazim	(Appointed on 1 March 2022)
Lee Kong Kheong (Alternate Director to Chan Kong Yew)	(Appointed on 3 March 2022)
Tevanaigam Randy Chitty	(Appointed on 3 March 2022)
Ahmad Faiz bin Besah @ Sitam	(Appointed on 4 March 2022)
Trazender Anak Gunting	(Appointed on 12 April 2022)
Lim Li Sze	(Appointed on 26 April 2022)
Yee Chun Syan	(Appointed on 26 April 2022)
Wan Mai Gan*	(Appointed on 18 July 2022)
Hj. Ahmad Bin Khalid	(Resigned on 31 December 2021)
Izad Shahadi Bin Mohd Sallehuddin	(Appointed on 16 April 2021 and resigned on 15 April 2022)
Dewan Ng	(Resigned on 27 June 2022)
Ainuddin Bin Jantan	(Resigned on 30 June 2022)

* These Directors are common Directors of Microlink Solution Berhad and its subsidiaries, whereby Microlink Solution Berhad would cease to be a subsidiary of the Group on 18 July 2022 as further disclosed in Note 47(e) to the financial statements.

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 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.4.2021	Addition	Sold	Balance as at 31.3.2022
Shares in the Company				
<u>Direct interests</u>				
Monteiro Gerard Clair	29,857,055	9,368,800	–	39,225,855
Mah Xian-Zhen	1,501,555	–	–	1,501,555
Dato' Jaganath Derek Steven Sabapathy	3,869,800	–	–	3,869,800
Chia Yong Wei	345,100	220,000	–	565,100

DIRECTORS' INTERESTS (CONT'D.)

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 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: (cont'd.)

	<----- Number of ordinary shares ----->			
	Balance as at 1.4.2021	Addition	Sold	Balance as at 31.3.2022
Shares in the Company				
<u>Indirect interests</u>				
Dato' Sri Thong Kok Khoo ^	53,859,500	-	-	53,859,500
Monteiro Gerard Clair #	67,467,100	-	-	67,467,100
Chia Yong Wei @	60,000	-	-	60,000
Mah Xian-Zhen @	9,645,000	-	-	9,645,000

	<----- Number of warrants ----->			
	Balance as at 1.4.2021	Addition	Sold	Balance as at 31.3.2022
Shares in the Company				
<u>Direct interests</u>				
Monteiro Gerard Clair	-	13,945,959	-	13,945,959
Mah Xian-Zhen	-	42,000	-	42,000
Dato' Jaganath Derek Steven Sabapathy	-	3,105,906	-	3,105,906
Chia Yong Wei	-	197,400	-	197,400
<u>Indirect interests</u>				
Dato' Sri Thong Kok Khoo ^	-	26,214,532	-	26,214,532
Monteiro Gerard Clair #	-	32,620,000	-	32,620,000
Chia Yong Wei @	-	28,000	-	28,000
Mah Xian-Zhen @	-	4,501,000	-	4,501,000

DIRECTORS' INTERESTS (CONT'D.)

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 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: (cont'd.)

	<----- Number of redeemable preference shares ----->			
	Balance as at 1.4.2021	Addition	Sold	Balance as at 31.3.2022
Shares in the Company				
<u>Direct interests</u>				
Monteiro Gerard Clair	–	5,976,840	–	5,976,840
Mah Xian-Zhen	–	55,000	–	55,000
Dato' Jaganath Derek Steven Sabapathy	–	773,960	(773,960)	–
Chia Yong Wei	–	84,600	–	84,600
<u>Indirect interests</u>				
Dato' Sri Thong Kok Khee ^	–	11,234,800	–	11,234,800
Monteiro Gerard Clair #	–	13,980,000	(500,000)	13,480,000
Chia Yong Wei @	–	12,000	–	12,000
Mah Xian-Zhen @	–	1,929,000	–	1,929,000

	<----- Number of ordinary shares ----->			
	Balance as at 1.4.2021	Addition	Sold	Balance as at 31.3.2022
Shares in a subsidiary				
Microlink Solutions Berhad				
<u>Direct interests</u>				
Monteiro Gerard Clair	6,439,799	21,985,197	–	28,424,996
Mah Xian-Zhen	138,666	415,998	–	554,664
Dato' Jaganath Derek Steven Sabapathy	4,805,500	14,416,500	–	19,222,000
Chia Yong Wei	429,700	3,124,100	–	3,553,800
<u>Indirect interests</u>				
Dato' Sri Thong Kok Khee *	1,726,595	14,179,785	–	15,906,380
Mah Xian-Zhen @	730,300	2,190,900	–	2,921,200
Monteiro Gerard Clair #	7,866	23,598	–	31,464

DIRECTORS' INTERESTS (CONT'D.)

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 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: (cont'd.)

	Number of Shares under ESGP				
	Balance as at 1.4.2021	Granted	Vested	Lapsed	Balance as at 31.3.2022
Employee Share Grant Plan (ESGP) in a subsidiary					
Microlink Solutions Berhad					
<u>Direct interests</u>					
Monteiro Gerard Clair	–	400,000	(400,000)	–	–
Chia Yong Wei	–	425,000	(425,000)	–	–

[^] Deemed interest by virtue of his substantial interest in Insas Berhad, pursuant to Section 8(4) of the Companies Act 2016 in Malaysia.

^{*} Deemed interest by virtue of his substantial interest in Insas Berhad and M&A Investments International Limited pursuant to Section 8(4) of the Companies Act 2016 in Malaysia.

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

[@] Deemed interest by virtue of his/her spouse's interest, pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares in the Company or ordinary shares of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than 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 the following:

(a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and

(b) certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

The details of the above transactions are disclosed in Note 40 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 or receivable by the Directors of the Company from the Company and its subsidiaries are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors' fees	1,553,056	1,408,617	444,150	516,968
Directors' remuneration	4,759,939	2,454,968	1,555,321	1,040,597
	6,312,995	3,863,585	1,999,471	1,557,565

Estimated monetary value of benefits-in-kind provided to the Directors of the Group are RM92,500 (2021: RM110,702).

INDEMNITY & INSURANCE FOR DIRECTORS, OFFICERS & AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group and of the Company are RM62,158 and RM31,079 respectively.

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP & 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 had satisfied themselves that 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 had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

OTHER STATUTORY INFORMATION REGARDING THE GROUP & 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 amount of bad debts written off or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial 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 financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 46 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events subsequent to the end of the reporting period are disclosed in Note 47 to the financial statements.

AUDITORS

The auditors, BDO PLT (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 2022 amounted to RM68,000 and RM422,300 respectively.

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

Monteiro Gerard Clair

Director

Kuala Lumpur
18 July 2022

Mah Xian-Zhen

Director

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 17 to 109 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 2022 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

Mah Xian-Zhen
Director

Kuala Lumpur
18 July 2022

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tevanaigam Randy Chitty, being the officer primarily responsible for the financial management of Omesti Berhad, do solemnly and sincerely declare that the financial statements as set out on pages 17 to 109 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)	
18 July 2022)	Tevanaigam Randy Chitty

Before me:

INDEPENDENT AUDITORS' REPORT

To the members of Omesti Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Omesti Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 109.

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 2022, and of their financial performance and 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 judgment, 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.

1. Impairment assessment of the carrying amount of goodwill on consolidation

The carrying amount of goodwill on consolidation as at 31 March 2022 amounted to RM51.2 million, as disclosed in Note 5 to the financial statements.

We determined this to be a key audit matter as the process is complex and it requires significant judgments and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units (CGU) in determining its 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 budgets 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.

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

KEY AUDIT MATTERS (CONT'D.)

2. *Impairment assessment on the carrying amount of other intangible assets*

As stated in Note 6(g) to the financial statements, the carrying amounts of other intangible assets in the Group with indications of impairment amounted to RM196.5 million. As such, management has performed impairment assessments on these Cash Generating Units (CGUs).

We determined this to be a key audit matter as the process is complex and it requires significant judgments and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units (CGU) in determining its 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 budgets 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.

3. *Impairment of trade receivables*

As at 31 March 2022, the Group and the Company has gross trade receivables of RM71.8 million and RM18.6 million respectively. The details of trade receivables and its credit risk have been disclosed in Note 16 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgments in determining the probability of default by trade receivables and appropriate forward-looking information.

Audit response

Our audit procedures included the following:

- (i) recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group and the Company;
- (ii) recomputed the correlation coefficient between the forward-looking factors used by the Group and the Company and historical credit losses to determine the appropriateness of the forward-looking information used by the Group and the Company; and
- (iii) enquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)**KEY AUDIT MATTERS (CONT'D.)****4. *Impairment assessment on the carrying amount of investments in subsidiaries***

As at 31 March 2022, the net carrying amount of investments in subsidiaries with impairment indicators amounted to RM20.3 million as disclosed in Note 7(b) to the financial statements.

We determined this to be a key audit matter as the process is complex and it requires significant judgments and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units (CGU) in determining its 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 budgets 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.

5. *Impairment assessment of the amounts owing by subsidiaries*

As at 31 March 2022, the gross amounts owing by subsidiaries of the Company were RM227.5 million as disclosed in Note 18 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgments 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.

INDEPENDENT AUDITORS' REPORT (CONT'D.)

To the members of Omesti Berhad
(Incorporated in Malaysia)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of 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 judgment 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.

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

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

- (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 or 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.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D.)

To the members of Omesti Berhad
(Incorporated in Malaysia)

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 7 to the financial statements.

OTHER MATTERS

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

BDO PLT

LLP0018825-LCA & AF 0206
Chartered Accountants

Kuala Lumpur
18 July 2022

Koo Swee Lin

03281/08/2022 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

		Group			Company	
		2022 RM	2021 RM (Restated)	2020 RM (Restated)	2022 RM	2021 RM
Note						
ASSETS						
Non-current assets						
Goodwill on consolidation	5	51,196,060	38,027,224	38,027,224	–	–
Other intangible assets	6	260,881,864	180,521,315	78,441,885	80,004,554	43,575,916
Investments in subsidiaries	7	–	–	–	160,249,999	160,249,999
Investments in associates	8	87,682,611	88,732,475	93,516,869	–	–
Investments in jointly-controlled entities	9	–	5,000	–	–	–
Other investments	10	705,324	1,045,355	2,633,581	–	–
Other receivables, deposits and prepayments	11	–	–	620,364	–	–
Deferred tax assets	12	3,496,828	3,492,779	3,815,004	–	–
Property, plant and equipment	13	53,018,034	58,410,856	25,050,992	5,762,712	706,722
Investment property	14	694,219	954,096	973,973	–	–
		457,674,940	371,189,100	243,079,892	246,017,265	204,532,637
Current assets						
Inventories and contract costs	15	14,762,455	19,148,920	4,143,462	2,627,654	12,731,644
Other investments	10	4,474,662	99,415	110,045	–	–
Trade receivables	16	52,416,440	39,425,845	78,162,154	18,603,476	976,047
Other receivables, deposits and prepayments	11	37,718,963	18,211,434	37,437,733	6,706,464	1,764,765
Contract assets	17	9,502,353	7,471,174	8,226,186	–	–
Amounts owing by subsidiaries	18	–	–	–	131,850,816	49,894,508
Amounts owing by associates	19	99,193	29,473	87,773	38,511	–
Amount owing by a jointly-controlled entity	20	1,111,028	704,622	401,574	65,791	–
Current tax assets		6,547,137	3,958,473	1,830,971	178,125	175,832
Cash and bank balances	21	97,510,235	130,546,763	40,875,046	11,583,020	107,393,075
		224,142,466	219,596,119	171,274,944	171,653,857	172,935,871
TOTAL ASSETS		681,817,406	590,785,219	414,354,836	417,671,122	377,468,508

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

STATEMENTS OF FINANCIAL POSITION (CONT'D.)

As at 31 March 2022

		Group			Company	
		2022 RM	2021 RM (Restated)	2020 RM (Restated)	2022 RM	2021 RM
Note						
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Share capital	22	276,948,988	276,259,614	275,505,851	276,948,988	276,259,614
Reserves	23	50,846,806	51,574,048	24,910,134	51,784,506	51,784,506
Accumulated losses		(133,113,992)	(114,392,303)	(111,881,520)	(169,542,198)	(129,621,749)
		194,681,802	213,441,359	188,534,465	159,191,296	198,422,371
Non-controlling interests	7	92,598,960	49,721,290	10,688,131	–	–
TOTAL EQUITY		287,280,762	263,162,649	199,222,596	159,191,296	198,422,371
LIABILITIES						
Non-current liabilities						
Borrowings	24	22,942,638	4,028,952	–	19,841,069	–
Redeemable preference shares	26	84,125,706	79,320,107	–	84,125,706	79,320,107
Lease liabilities	27	27,378,533	34,836,045	12,968,719	5,423,901	442,018
Provisions	28	4,302,628	4,798,262	4,412,609	868,349	1,031,685
Other payables, deposits and accruals	30	180,788	157,548	146,148	–	–
Deferred tax liabilities	12	3,746,876	2,030	2,030	–	–
		142,677,169	123,142,944	17,529,506	110,259,025	80,793,810
Current liabilities						
Trade payables	29	36,432,713	33,160,723	60,732,432	–	–
Other payables, deposits and accruals	30	38,650,349	48,209,977	40,795,261	6,401,824	2,481,967
Contract liabilities	31	18,721,852	22,379,325	29,805,468	1,389,367	4,637,560
Amounts owing to subsidiaries	18	–	–	–	114,788,262	90,941,005
Amounts owing to associates	19	233,747	2,717	21,496	8,446	–
Amount owing to a jointly controlled entity	20	135,627	83,571	14,149	–	4,757

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

STATEMENTS OF FINANCIAL POSITION (CONT'D.)

As at 31 March 2022

	Note	Group			Company	
		2022 RM	2021 RM (Restated)	2020 RM (Restated)	2022 RM	2021 RM
Current liabilities						
Borrowings	24	131,862,241	79,577,580	53,421,504	24,667,781	–
Lease liabilities	27	22,882,385	19,797,204	10,878,850	725,795	187,038
Provisions	28	478,257	–	–	239,326	–
Current tax liabilities		2,462,304	1,268,529	1,933,574	–	–
		251,859,475	204,479,626	197,602,734	148,220,801	98,252,327
TOTAL LIABILITIES		394,536,644	327,622,570	215,132,240	258,479,826	179,046,137
TOTAL EQUITY AND LIABILITIES		681,817,406	590,785,219	414,354,836	417,671,122	377,468,508

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 2022

	Note	Group		Company	
		2022 RM	2021 RM (Restated)	2022 RM	2021 RM
Revenue	33	305,293,782	235,223,907	48,363,367	7,296,483
Changes in inventories		(8,425,722)	16,957,797	(8,250,751)	12,731,644
Purchases		(173,303,865)	(183,393,225)	(34,986,667)	(15,065,516)
Other operating income		12,810,029	56,066,187	2,326,344	417,996
Depreciation and amortisation expenses	6,13,14	(38,425,832)	(21,350,876)	(4,444,428)	(1,332,858)
Employee benefits	34	(42,465,395)	(47,657,629)	(6,948,556)	(6,295,111)
Other operating expenses		(29,484,060)	(27,556,572)	(8,286,194)	(4,212,141)
Net (losses)/gains on impairment of financial assets		(2,449,682)	(16,877,482)	(14,363,215)	13,005,596
Finance costs	35	(19,730,122)	(9,687,255)	(13,269,110)	(112,849)
Share of results of associates, net of tax	8	(2,511,424)	6,575,076	–	–
Profit/(Loss) before tax		1,307,709	8,299,928	(39,859,210)	6,433,244
Tax expense	36	(10,201,411)	(1,923,564)	(61,239)	–
(Loss)/Profit for the financial year		(8,893,702)	6,376,364	(39,920,449)	6,433,244
Other comprehensive (loss)/income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations for foreign operations, net of tax		(790,080)	(483,515)	–	–
Share of other comprehensive income/(loss) of associates, net of tax	8	20,174	(5,714,551)	–	–
Total other comprehensive loss		(769,906)	(6,198,066)	–	–
Total comprehensive (loss)/income		(9,663,608)	178,298	(39,920,449)	6,433,244

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D.)

For the financial year ended 31 March 2022

	Note	Group		Company	
		2022 RM	2021 RM (Restated)	2022 RM	2021 RM
(Loss)/Profit attributable to:					
Owners of the parent		(20,169,230)	(1,199,862)	(39,920,449)	6,433,244
Non-controlling interests	7	11,275,528	7,576,226	–	–
		(8,893,702)	6,376,364	(39,920,449)	6,433,244
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(20,896,472)	(7,371,759)	(39,920,449)	6,433,244
Non-controlling interests	7	11,232,864	7,550,057	–	–
		(9,663,608)	178,298	(39,920,449)	6,433,244
Loss per ordinary share attributable to owners of the parent:					
Basic (sen)	37	(3.78)	(0.23)		
Diluted (sen)	37	(3.78)	(0.23)		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Group	Note	Non-distributable					Total attributable to owners of the parent	Non-controlling interests	Total equity
		Share capital	Capital reserve	Warrant reserve	Exchange translation reserve	Accumulated losses			
		RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 April 2020, as previously reported		275,505,851	24,663,246	-	246,888	(107,975,767)	192,440,218	10,688,131	203,128,349
Effect of adoption of IFRIC Agenda Decision on MFRS 123	44	-	-	-	-	(3,905,753)	(3,905,753)	-	(3,905,753)
Balance as at 1 April 2020, as restated		275,505,851	24,663,246	-	246,888	(111,881,520)	188,534,465	10,688,131	199,222,596
(Loss)/Profit for the financial year, restated		-	-	-	-	(1,199,862)	(1,199,862)	7,576,226	6,376,364
Foreign currency translations for foreign operations, net of tax		-	-	-	(457,346)	-	(457,346)	(26,169)	(483,515)
Share of other comprehensive loss of associates, net of tax		-	-	-	-	(5,714,551)	(5,714,551)	-	(5,714,551)
Total comprehensive (loss)/income		-	-	-	(457,346)	(6,914,413)	(7,371,759)	7,550,057	178,298
Transactions with owners									
Shares issued pursuant to Employee Share Grant Plan (ESGP)	22	753,763	-	-	-	-	753,763	2,669,514	3,423,277
Arising from accretion of equity interests in subsidiaries		-	-	-	-	(12,690,511)	(12,690,511)	(3,033,766)	(15,724,277)
Arising from dilution of equity interests in a subsidiary		-	-	-	-	17,094,141	17,094,141	32,986,082	50,080,223
Redeemable preference shares with warrants	23	-	-	27,121,260	-	-	27,121,260	-	27,121,260
Dividend paid by subsidiary		-	-	-	-	-	-	(1,138,728)	(1,138,728)
Total transactions with owners		753,763	-	27,121,260	-	4,403,630	32,278,653	31,483,102	63,761,755
Balance as at 31 March 2021		276,259,614	24,663,246	27,121,260	(210,458)	(114,392,303)	213,441,359	49,721,290	263,162,649

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)

For the financial year ended 31 March 2022

	Group	Note	Non-distributable					Total		Total equity RM
			Share capital RM	Capital reserve RM	Warrant reserve RM	Exchange translation reserve RM	Accumulated losses RM	attributable to owners of the parent RM	Non-controlling interests RM	
			276,259,614	24,663,246	27,121,260	(210,458)	(114,392,303)	213,441,359	49,721,290	263,162,649
			-	-	-	-	(20,169,230)	(20,169,230)	11,275,528	(8,893,702)
			-	-	-	(747,416)	-	(747,416)	(42,664)	(790,080)
			-	-	-	20,174	-	20,174	-	20,174
			-	-	-	(727,242)	(20,169,230)	(20,896,472)	11,232,864	(9,663,608)
			Transactions with owners							
		22	689,374	-	-	-	-	689,374	2,943,630	3,633,004
			-	-	-	-	-	-	31,340,974	31,340,974
			-	-	-	-	-	-	1,427,642	1,427,642
			-	-	-	-	1,447,541	1,447,541	(4,067,440)	(2,619,899)
			689,374	-	-	-	1,447,541	2,136,915	31,644,806	33,781,721
			276,948,988	24,663,246	27,121,260	(937,700)	(133,113,992)	194,681,802	92,598,960	287,280,762

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

Company	Note	Non-distributable			Accumulated losses RM	Total equity RM
		Share capital RM	Capital reserve RM	Warrant reserve RM		
Balance as at 1 April 2020		275,505,851	24,663,246	–	(136,054,993)	164,114,104
Profit for the financial year		–	–	–	6,433,244	6,433,244
Other comprehensive income, net of tax		–	–	–	–	–
Total comprehensive income		–	–	–	6,433,244	6,433,244
Transactions with owners						
Shares issued pursuant to Employee Share Grant Plan (ESGP)	22	753,763	–	–	–	753,763
Redeemable preference shares with warrants	23	–	–	27,121,260	–	27,121,260
Total transactions with owners		753,763	–	27,121,260	–	27,875,023
Balance as at 31 March 2021		276,259,614	24,663,246	27,121,260	(129,621,749)	198,422,371
Balance as at 1 April 2021		276,259,614	24,663,246	27,121,260	(129,621,749)	198,422,371
Loss for the financial year		–	–	–	(39,920,449)	(39,920,449)
Other comprehensive income, net of tax		–	–	–	–	–
Total comprehensive loss		–	–	–	(39,920,449)	(39,920,449)
Transaction with owners						
Shares issued pursuant to Employee Share Grant Plan (ESGP)	22	689,374	–	–	–	689,374
Total transaction with owners		689,374	–	–	–	689,374
Balance as at 31 March 2022		276,948,988	24,663,246	27,121,260	(169,542,198)	159,191,296

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2022

	Note	Group		Company	
		2022 RM	2021 RM (Restated)	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		1,307,709	8,299,928	(39,859,210)	6,433,244
Adjustments for:					
Amortisation of:					
– software development costs/purchased software	6	7,904,017	1,972,494	–	–
– license agreements	6	4,078,271	1,761,296	3,358,775	1,041,800
Other intangible assets written off	6	1,041,800	–	1,041,800	–
Depreciation of:					
– property, plant and equipment	13	26,423,667	17,597,209	1,085,653	291,058
– investment property	14	19,877	19,877	–	–
Equity settled share-based payment expense	34	3,633,004	3,423,277	689,374	753,763
Net loss on dilution of equity interest in associates		–	5,643,081	–	–
Net loss/(gain) on fair value adjustments on other investments	10(b)	133,099	(240,000)	–	–
Net loss/(gain) on disposal of:					
– property, plant and equipment		–	4,436	–	–
– other investments		(1,728,300)	(3,802,227)	–	–
Impairment losses on:					
– trade receivables	16(e)	793,712	15,668,930	–	7,350
– other receivables	11(e)	2,463,415	5,482,766	–	–
– contract assets	17(b)	14,189	15,135	–	–
– amounts owing by subsidiaries	18(g)	–	–	14,481,990	2,409,732
– investment property	14	240,000	–	–	–
Interest expense		19,143,077	9,363,632	12,832,671	46,251
Interest income		(1,026,162)	(481,055)	(210,850)	(41,290)
Inventories written off	15(a)(ii)	592,317	1,311,854	–	–
Dividend income		(50,600)	–	–	–
Lease concession	27(b)	–	(35,895)	–	–
(Reversal of)/Provision for gratuity obligations	34	(17,377)	385,653	75,990	9,209
Reversal of impairment losses on:					
– trade receivables	16(e)	(800,161)	(3,880,076)	–	–
– other receivables	11(e)	(21,309)	(394,138)	–	–
– software development costs/purchased software	6	–	(38,743,730)	–	–
– amounts owing by subsidiaries	18(g)	–	–	(118,775)	(15,418,602)
Share of loss/(profit) of associates	8(c)	2,511,424	(6,575,076)	–	–
Net unrealised (gain)/loss on foreign currency exchange		–	(27,280)	483,033	–
Operating profit/(loss) before changes in working capital		66,655,669	16,770,091	(6,139,549)	(4,467,485)

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

STATEMENTS OF CASH FLOWS (CONT'D.)

For the financial year ended 31 March 2022

	Group		Company	
	2022 RM	2021 RM (Restated)	2022 RM	2021 RM
Note				
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd.)				
Changes in working capital:				
Inventories and contract costs	10,293,351	(16,317,312)	2,382,161	(12,731,644)
Trade receivables	(7,375,055)	27,711,267	(17,627,429)	(983,163)
Other receivables, deposits and prepayments	(22,566,947)	13,079,399	(4,941,699)	(1,281,769)
Trade payables	(12,420,896)	(34,997,852)	(3,248,193)	4,637,560
Other payables, deposits and accruals	(30,130,938)	7,950,119	(1,402,211)	1,740,806
Cash generated from/(used in) operations	4,455,184	14,195,712	(30,976,920)	(13,085,695)
Tax paid	(7,687,773)	(4,400,657)	(63,532)	(77,000)
Tax refunded	17,560	2,122	-	-
Net cash (used in)/from operating activities	(3,215,029)	9,797,177	(31,040,452)	(13,162,695)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of additional interests in subsidiary	(24,648,780)	(15,724,281)	-	(189,998)
Acquisitions of additional interests in associates	(1,441,386)	-	-	-
Acquisition of interests in joint venture	-	(5,000)	-	-
Acquisition of subsidiaries, net of cash acquired	7(d)(ii) (11,436,163)	-	-	-
Interest received	1,026,162	481,055	210,850	41,290
Net advances (to)/from subsidiaries	-	-	(72,955,299)	48,962,847
Net advances to a jointly-controlled entity	-	-	(70,548)	4,757
Net advances to a related companies	-	-	(30,065)	-
Proceeds from disposal of other investments	19,407,967	6,341,083	-	-
Purchase of other intangible assets	6(e) (80,035,705)	(65,653,807)	(33,107,384)	(41,492,316)
Purchase of other investments	(21,847,982)	(700,000)	-	-
Purchase of property, plant and equipment	13(d) (307,219)	(2,689,741)	-	-
(Placement)/Withdrawal of deposits pledged to licensed banks	(12,751,720)	79,246	(10,136,541)	-
Dividend received	50,600	-	-	-
Net cash (used in)/from investing activities	(131,984,226)	(77,871,445)	(116,088,987)	7,326,580

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

STATEMENTS OF CASH FLOWS (CONT'D.)
For the financial year ended 31 March 2022

	Note	Group		Company	
		2022 RM	2021 RM (Restated)	2022 RM	2021 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Net drawdown/(repayments) of:					
– invoice financing, trust receipts and term loans		59,156,669	30,878,275	34,559,481	–
– lease liabilities		(23,632,272)	(19,080,291)	(1,066,015)	(207,554)
Interest paid		(8,028,164)	(8,176,669)	(2,259,992)	–
Net proceeds of a private placement exercise in a subsidiary		53,369,855	50,080,223	–	–
Proceeds from issuance of redeemable preference shares with warrants		–	106,441,367	–	106,441,367
Dividend paid		–	(1,138,728)	–	–
Net cash from financing activities		80,866,088	159,004,177	31,233,474	106,233,813
Net changes in cash and cash equivalents		(54,333,167)	90,929,909	(115,895,965)	100,397,698
Cash and cash equivalents at beginning of financial year		116,524,550	26,080,341	107,393,075	6,995,377
Effect of changes in exchange rates		(790,476)	(485,700)	–	–
Cash and cash equivalents at end of financial year	21	61,400,907	116,524,550	(8,502,890)	107,393,075

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

STATEMENTS OF CASH FLOWS (CONT'D.)

For the financial year ended 31 March 2022

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Invoice financing, trust receipts and term loans (Note 24)		Redeemable preference shares (Note 26)		Lease liabilities (Note 27)	
	Group RM	Company RM	Group RM	Company RM	Group RM	Company RM
At 1 April 2020	49,633,464	-	-	-	23,847,569	741,494
Cash flows	30,878,275	-	106,441,367	106,441,367	(19,080,291)	(207,554)
Non-cash flows:						
- Unwinding of interest	-	-	-	-	1,186,963	46,251
- Additions of leases	-	-	-	-	48,918,862	48,865
- Lease modifications and reassessment	-	-	-	-	109,107	-
- Lease concession	-	-	-	-	(35,895)	-
- Disposals	-	-	-	-	(313,066)	-
Less:						
- Warrants (Note 23)	-	-	(27,121,260)	(27,121,260)	-	-
At 31 March 2021	80,511,739	-	79,320,107	79,320,107	54,633,249	629,056
At 1 April 2021	80,511,739	-	79,320,107	79,320,107	54,633,249	629,056
Cash flows	59,156,669	34,559,481	-	-	(23,632,272)	(1,066,015)
Non-cash flows:						
- Unwinding of interest	-	-	4,805,599	4,805,599	987,246	445,012
- Additions of leases	-	-	-	-	16,940,559	6,141,643
- Lease modifications and reassessment	-	-	-	-	31,119	-
- Acquisition of subsidiaries	2,706,283	-	-	-	1,616,101	-
- Lease termination	-	-	-	-	(315,084)	-
At 31 March 2022	142,374,691	34,559,481	84,125,706	84,125,706	50,260,918	6,149,696

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Ho Hup Tower – Aurora Place, 2-07-01-Level 7 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 2022 comprise the Company and its subsidiaries and the interest of the Group in associates and jointly controlled entities. These financial statements are presented in Ringgit Malaysia (RM), which is also the functional currency of the Company.

The financial statements were authorised for issuance in accordance with a resolution by the Board of Directors on 18 July 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, the provision of management services and the provision of information technology services in terms of hardware, software, consultancy and maintenance to the telecommunication, oil and gas and government sectors. The principal activities and the details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year other than as disclosed in Note 7(c) to the financial statements.

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 requirements 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 43.1 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.

As of 31 March 2022, the current liabilities of the Group exceeded their current assets by RM27,717,009 and recorded a loss for the current financial year amounting to RM8,893,702. The Directors are of the opinion that the net current liabilities position as at 31 March 2022 was temporary and there is no material uncertainty on the going concern assumption in the preparation of financial statements. There are on-going plans to improve operational cash flows in the Group in the near future.

4. OPERATING SEGMENTS

The Company and its subsidiaries in Malaysia are principally engaged in the distribution, maintenance and development of computer hardware and software and advisory and consultancy for computer software solutions, as well as the provision of healthcare services; whilst its subsidiaries in Singapore, Indonesia and Vietnam are principally engaged in advisory and consultancy for computer software solutions.

(a) Reportable segments

The Group has arrived at 4 reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technological requirements, which requires different business and marketing strategies. These reportable segments are as follows:

(i) Business Performance Services

Provision of business performance improvement related services;

(ii) Trading and Distribution Services

Distribution and reselling of hardware and software and related services;

(iii) Digital and Infrastructure Services

Provision of a comprehensive range of tele/data communication, networking solutions and related services; and

(iv) Healthcare Services

Distribution of pharmaceutical products, vaccines and medical devices and provision of various medical services.

Other segments comprise operations related to investment holding activities.

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 years.

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) Reportable segments (cont'd.)

2022	Business Performance Services RM	Trading and Distribution Services RM	Digital and Infrastructure Services RM	Healthcare Services RM	Others RM	Elimination RM	Consolidation RM
Revenue							
External sales	153,608,712	135,614,513	57,120	15,367,782	645,655	–	305,293,782
Inter-segment sales	72,232,076	9,224,848	–	–	480,065	(81,936,989)	–
Total	225,840,788	144,839,361	57,120	15,367,782	1,125,720	(81,936,989)	305,293,782
Results							
Segment results	4,944,492	15,650,651	(656,345)	2,600,247	43,812,891	(44,415,888)	21,936,048
Interest expense	(13,738,331)	(943,317)	(22,353)	(34,171)	(4,404,905)	–	(19,143,077)
Interest income	814,163	94,721	–	19	117,259	–	1,026,162
Share of loss in associates, net of tax	–	–	–	–	(2,511,424)	–	(2,511,424)
Profit/(Loss) before tax	(7,979,676)	14,802,055	(678,698)	2,566,095	37,013,821	(44,415,888)	1,307,709
Tax expense							(10,201,411)
Loss for the financial year							(8,893,702)
Other information							
Segment assets	839,690,642	98,543,115	2,357,196	26,872,175	257,508,925	(543,154,647)	681,817,406
Segment liabilities	578,424,269	16,862,044	31,068,631	19,879,109	234,482,154	(486,179,563)	394,536,644
Capital expenditure	162,731	18,232	–	106,782	19,474	–	307,219
Depreciation and amortisation	36,879,894	90,451	107,192	225,824	402,976	719,495	38,425,832
Non-cash expenses other than depreciation and amortisation	29,347,083	6,137,042	79,468	41,726	5,355,481	–	40,960,800

4. OPERATING SEGMENTS (CONT'D.)

(a) Reportable segments (cont'd.)

2021	Business Performance Services RM	Trading and Distribution Services RM	Digital and Infrastructure Services RM	Others RM	Elimination RM	Consolidation RM
Revenue						
External sales	99,343,726	131,455,933	41,258	4,382,990	-	235,223,907
Inter-segment sales	38,613,457	3,664,173	-	3,377,305	(45,654,935)	-
Total	137,957,183	135,120,106	41,258	7,760,295	(45,654,935)	235,223,907
Results						
Segment results	31,864,659	(10,681,287)	(2,049,596)	4,204,371	(12,730,718)	10,607,429
Interest expense	(2,703,140)	(1,599,155)	(29,373)	(5,440,026)	408,062	(9,363,632)
Interest income	322,130	100,299	-	72,466	(13,840)	481,055
Share of profit in associates, net of tax, restated	-	-	-	6,575,076	-	6,575,076
Profit/(Loss) before tax, restated	29,483,649	(12,180,143)	(2,078,969)	5,411,887	(12,336,496)	8,299,928
Tax expense						(1,923,564)
Profit for the financial year, restated						6,376,364
Other information						
Segment assets, restated	436,502,176	73,698,672	2,537,051	560,292,394	(482,245,074)	590,785,219
Segment liabilities	411,841,218	115,882,479	30,569,789	381,975,022	(612,645,938)	327,622,570
Capital expenditure	173,879	49,753	-	36,581	2,429,528	2,689,741
Depreciation and amortisation	18,072,744	111,308	107,193	2,340,135	719,496	21,350,876
Non-cash expenses other than depreciation and amortisation	24,535,980	13,304,140	845,140	13,446,806	-	52,132,066

4. OPERATING SEGMENTS (CONT'D.)

(b) Geographical segments

2022	Revenue RM	Segment assets RM	Segment liabilities RM	Capital expenditure RM	Depreciation and amortisation RM
Malaysia	305,293,782	678,675,832	372,755,763	305,420	38,424,033
Singapore	-	443,300	13,248,314	-	-
Indonesia	-	3,568	5,392,475	-	-
Vietnam	-	20,538	3,030,578	1,799	1,799
Brunei	-	2,674,168	109,514	-	-
	305,293,782	681,817,406	394,536,644	307,219	38,425,832

2021	Revenue RM	Segment assets RM (Restated)	Segment liabilities RM	Capital expenditure RM	Depreciation and amortisation RM
Malaysia	235,223,759	587,867,004	306,961,856	2,689,551	21,350,689
Singapore	-	208,746	12,599,105	-	-
Indonesia	-	3,463	5,232,946	-	-
Vietnam	148	68,455	2,722,000	190	187
Brunei	-	2,637,551	106,663	-	-
	235,223,907	590,785,219	327,622,570	2,689,741	21,350,876

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

Included in total revenue is revenue generated from one customer amounting to RM47,423,649, representing 15.5% of the total revenue, arising from business performance services segment. In the previous financial year, there was no major customer which contributed equal or more than ten (10) percent of the Group's revenue.

5. GOODWILL ON CONSOLIDATION

	Group	
	2022 RM	2021 RM
Cost	57,000,781	43,831,945
Less: Accumulated impairment losses	(5,804,721)	(5,804,721)
Carrying amount	51,196,060	38,027,224

- (a) Goodwill on consolidation is accounted for using the proportionate method. After initial recognition, goodwill on consolidation is measured at cost less any accumulated impairment losses.
- (b) Goodwill on consolidation arising from business combinations have been allocated to the CGUs of the Group based on the following reportable segments:

	Business Performance Services RM	Trading and Distribution Services RM	Healthcare Services RM	Total RM
As at 31 March 2021	36,260,111	1,767,113	–	38,027,224
Acquisition of subsidiaries	–	–	13,168,836*	13,168,836
As at 31 March 2022	36,260,111	1,767,113	13,168,836*	51,196,060

* This goodwill has been determined on a provisional basis as further disclosed in Note 7(d)(ii) to the financial statements.

- (c) Impairment assessment on the carrying amount of goodwill on consolidation is performed at least on an annual basis. The Directors have made significant judgments 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 on consolidation for both financial years have been determined based on the value-in-use method using the following assumptions:

- Cash flow forecasts based on approved financial budgets covering a five (5) year period;
- Pre-tax discount rate of the Group of 7.40% – 9.72% (2021: 6.80% – 7.20%) per annum;
- Forecasted growth rates ranging from 5% to 10% (2021: 5% to 10%) based on past performance of the segment;
- Terminal value based on the fifth year cash flow without incorporating any growth rate; and
- Projected profit margins based on historical profit margins achieved.

A reasonable change in the assumptions above would not cause any further impairment loss on goodwill on consolidation.

5. GOODWILL ON CONSOLIDATION (CONT'D.)

(d) Movements in accumulated impairment losses are as follows:

	Group	
	2022 RM	2021 RM
As at 31 March 2022/2021	5,804,721	5,804,721

6. OTHER INTANGIBLE ASSETS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Software development costs/ Purchased software				
As at 1 April 2021/2020	135,986,100	73,637,690	–	–
Add: Additions during the financial year	49,552,091	25,577,174	–	–
Add: Acquisition of subsidiaries	3,003,333	–	–	–
Add: Reversal of impairment loss	–	38,743,730	–	–
Less: Amortised during the financial year	(7,904,017)	(1,972,494)	–	–
As at 31 March 2022/2021	180,637,507	135,986,100	–	–
License agreements				
As at 1 April 2021/2020	44,535,215	4,804,195	43,575,916	3,125,400
Add: Additions during the financial year	40,829,213	41,492,316	40,829,213	41,492,316
Less: Amortised during the financial year	(4,078,271)	(1,761,296)	(3,358,775)	(1,041,800)
Less: Written off	(1,041,800)	–	(1,041,800)	–
As at 31 March 2022/2021	80,244,357	44,535,215	80,004,554	43,575,916
Total other intangible assets	260,881,864	180,521,315	80,004,554	43,575,916

Group	As at 31.3.2022			
	Cost RM	Accumulated amortisation RM	Accumulated impairment losses RM	Carrying amount RM
Software development costs/Purchased software	224,578,167	(40,353,464)	(3,587,196)	180,637,507
License agreements	88,796,962	(8,552,605)	–	80,244,357
	313,375,129	(48,906,069)	(3,587,196)	260,881,864

6. OTHER INTANGIBLE ASSETS (CONT'D.)

Group	As at 31.3.2021			
	Cost RM	Accumulated amortisation RM	Accumulated impairment losses RM	Carrying amount RM
Software development costs/Purchased software	172,022,743	(32,449,447)	(3,587,196)	135,986,100
License agreements	53,176,749	(8,641,534)	-	44,535,215
	225,199,492	(41,090,981)	(3,587,196)	180,521,315

Company	As at 31.3.2022		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
License agreements	82,321,529	(2,316,975)	80,004,554

Company	As at 31.3.2021		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
License agreements	46,701,316	(3,125,400)	43,575,916

- (a) Software development costs, purchased software and license agreements are intangible assets with finite useful lives that are measured after initial recognition at cost less accumulated amortisation and any impairment losses.
- (b) Amortisation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group and the Company operate. The principal amortisation periods are as follows:
- | | |
|---|---------------|
| Software development costs/Purchased software | 4 to 10 years |
| License agreements | 5 to 9 years |
- (c) There are no changes to the residual value of software development costs, purchased software and license agreements during the financial year. A 1% change in residual value at the end of the reporting period has no significant impact on the carrying amount of software development costs, purchased software and license agreements.

6. OTHER INTANGIBLE ASSETS (CONT'D.)

- (d) Movements in accumulated impairment losses are as follows:

	Group	
	2022 RM	2021 RM
As at 1 April 2021/2020	3,587,196	42,330,926
Reversal during the financial year	–	(38,743,730)
As at 31 March 2022/2021	3,587,196	3,587,196

- (e) During the financial year, the Group and the Company made the following cash payments to purchase other intangible assets:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Purchase of other intangible assets	90,381,304	67,069,490	40,829,213	41,492,316
Capitalisation of contract costs	(10,345,599)	(1,415,683)	(7,721,829)	–
Cash payment on purchase of other intangible assets	80,035,705	65,653,807	33,107,384	41,492,316

- (f) The Group has successfully engaged multiple contracts from customers utilising the software research and development of the Group for core banking services and products. Due to potential future benefits, the Group in the previous financial year, has reversed previously impaired software development expenditure of RM38,743,730.

The recoverable amount of this software development expenditure as at 31 March 2021 of RM42,534,000 was determined based on the value in use method, using a pre-tax discount rate of 6.80% per annum.

Such development expenditure is amortised on a straight-line method over a period of ten (10) years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

- (g) 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 amounts of the other intangible assets in these subsidiaries with indications of impairment amounted to RM196,539,546 as at 31 March 2022.

Management has made significant judgments 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 forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each CGU. Management has determined that the recoverable amounts are in excess of the carrying amounts of the other intangible assets and no further impairment loss has been recorded in the current financial year.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost	186,361,647	186,361,647
Less: Accumulated impairment losses	(26,111,648)	(26,111,648)
	160,249,999	160,249,999

- (a) Investments in subsidiaries are measured at cost. Non-controlling interests are measured at their proportionate share of the net assets of subsidiaries, unless another measurement basis is required by MFRSs.
- (b) Impairment assessment

The management has assessed whether there were any indicators of impairment in the subsidiaries during the financial year. In doing this, management considered the current environments and performance of the affected subsidiaries. Management has considered the shareholders' deficit as at financial year end in certain subsidiaries as impairment indicators. The carrying amount of these subsidiaries as at 31 March 2022 was RM20,311,648.

Management has made significant judgments 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 and growth 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.

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

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Continuous Network Advisers Sdn Bhd (CNA)	Malaysia	100	100	–	–	Investment holding activities
Man Yau Holdings Berhad (MYHB)	Malaysia	100	100	–	–	Investment holding activities
Omesti Holdings Berhad (OHB)	Malaysia	100	100	–	–	Investment holding activities
Continuous Network Services Sdn Bhd (CNS)	Malaysia	100	100	–	–	Provision of corporate secretarial, accounting and payroll services
Formis Research and Development Sdn Bhd (FRDEV)	Malaysia	100	100	–	–	Development of application software, system integration services and the provision of hardware and software maintenance services

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of CNA						
Yakimbi Sdn Bhd (Yakimbi)	Malaysia	–	–	94.4	94.4	Designing and development of website, software, maintenance services and other related services
Chelsea Apps Factory Bangsar Sdn Bhd (CAFB)	Malaysia	–	–	80	80	Designing and development of software for mobile phone devices
† Formis Labs Singapore Pte Ltd (FLS)	Republic of Singapore	–	–	100	100	Distributing and marketing online video surveillance and analytics services
Omesti Actify Sdn Bhd (OAS)	Malaysia	–	–	100	100	Distribution, marketing, implementing and maintenance of accounting, inventory and goods and services tax accounting software to small and medium sized enterprise in Malaysia
Omesti Data Sdn Bhd (ODSB)	Malaysia	–	–	100	100	Development of information technology and software development on e-payment and remittance of funds and other related services
† Bancore Asia Pte Ltd (BAP)	Republic of Singapore	–	–	100	100	Distributing, marketing, implementing and maintaining financial technology software in Asia Pacific region
Subsidiaries of BAP						
Bancore Sdn Bhd (BANCORE)	Malaysia	–	–	100	100	Provision of information technology solutions and services in terms of hardware, software, consultancy and maintenance for the mobile remittance industry
# Omesti Vietnam Company Limited (OVCL)	Socialist Republic of Vietnam	–	–	100	100	Consulting services, software implementation services, data processing services, database services and maintenance services

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of MYHB						
Omesti Assist Sdn Bhd (OASB)	Malaysia	–	–	100	100	Investment holding and development of application software, system integration services and the provision of hardware and software maintenance services
Formis Software & Technologies Sdn Bhd (FSTECH)	Malaysia	–	–	100	100	Development of application software, system integration services and the provision of hardware and software maintenance services
Channel Legacy Sdn Bhd (CLSB)	Malaysia	–	–	60	60	Investment holding activities
Subsidiary of OASB						
† PDAC Formis Sdn Bhd (PDAC)	Brunei	–	–	70	70	Carry on businesses in Brunei amongst others, in information technology related businesses, property development
Subsidiaries of OHB						
Formis Network Services Sdn Bhd (FNS)	Malaysia	–	–	51	51	Provision of information technology services in terms of hardware, software, consultancy and maintenance to telecommunication, oil and gas and government sectors
Com-Line Systems Sdn Bhd (CLS)	Malaysia	–	–	85	85	Development of standard application packages and the provision of turnkey solution development services
^ Microlink Solutions Berhad (Microlink)	Malaysia	–	–	50.6	51.8	Investment holding and provision of research and development on information technology solutions to the financial services industry
Mindforum Sdn Bhd (MF)	Malaysia	–	–	70	70	Provision of training, consultancy, advisory and other related services

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of OHB (cont'd.)						
# PT Formis Solusi Indonesia (PTFSI)	Republic of Indonesia	–	–	100	100	Engaging in the business activity of information technology
Formis International Limited (FIL)	Federal Territory of Labuan	–	–	100	100	Provision of hardware and software information technology for the international market
Ohana Communications Sdn Bhd (OCS)	Malaysia	–	–	100	100	Provision of network connectivity and bandwidth services in Malaysia and project management services in relation to telecommunications
Amadeus Digital Xpress Sdn Bhd (ADX)	Malaysia	–	–	100	100	Automation, installation and maintenance of computer hardware and software and other automated related projects
Next Intelligent Sdn Bhd (NISB)	Malaysia	–	–	100	100	Investment holding activities
Prima Arenaniaga Sdn Bhd (PASB)	Malaysia	–	–	60	60	Provision of information technology solutions
Red Ape Solutions Sdn Bhd (RAS)	Malaysia	–	–	100	100	Provisions of business solutions, training and consultation services in information technology, web development and applications
Yakimbi ICT Sdn Bhd (Yakimbi ICT)	Malaysia	–	–	100	100	Designing and development of website and software, and providing of maintenance services and other related services
Omesti Tree Med Sdn Bhd (OTM)	Malaysia	–	–	100	–	Provision of medical and pharmaceutical services
Medilabz Signature Sdn Bhd (Medilabz)	Malaysia	–	–	100	–	Provision of medical and laboratory related services
Bemed Healthcare Sdn Bhd (BHSB)	Malaysia	–	–	70	–	Trading of pharmaceutical products
Bemed (ITT) Sdn Bhd (ITT)	Malaysia	–	–	70	–	Trading of pharmaceutical products

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of OHB (cont'd.)						
Bemed Lagenda Sdn Bhd (BLSB)	Malaysia	–	–	70	–	Trading of pharmaceutical products
Bemed Matahari Sdn Bhd (BMSB)	Malaysia	–	–	70	–	Trading of pharmaceutical products
Be Med Sdn Bhd (BM)	Malaysia	–	–	70	–	Trading of pharmaceutical products
Bemed Pharma Sdn Bhd (BPSB)	Malaysia	–	–	70	–	Wholesale of pharmaceutical products
Bemed (PTJ) Sdn Bhd (PTJ)	Malaysia	–	–	70	–	Trading of pharmaceutical products
Bemed Tempua Sdn Bhd (BTSB)	Malaysia	–	–	70	–	Trading of pharmaceutical products
Bemed Ventures Sdn Bhd (BVSb)	Malaysia	–	–	70	–	Trading of pharmaceutical products
BB Boss Sdn Bhd (BB)	Malaysia	–	–	70	–	Trading of pharmaceutical products
Subsidiary of FNS						
Formis Niaga Solusi Sdn Bhd (FNSi)	Malaysia	–	–	100	100	Provision of information technology services of hardware, software and consultancy to the oil and gas industry and telecommunication sectors
Subsidiary of CLS						
Comline Dotcom Sdn Bhd (CDC)	Malaysia	–	–	100	100	Development of multimedia technology application
Subsidiary of NISB						
O Dojo Sdn Bhd (O Dojo)	Malaysia	–	–	100	100	Provision and management of co-working spaces for potential customers and all related services thereto, and investment holding activities

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Microlink						
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
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 service industry
Microlink Software Sdn Bhd (MSB)	Malaysia	–	–	51	51	Provision of consultancy services in supporting and modifying banking software
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
ML Tridimas Sdn Bhd (MLTridimas)	Malaysia	–	–	100	100	Development of application software, system integration services and the provision of hardware and software maintenance services
Dhanalynk Sdn Bhd (Dhanalynk)	Malaysia	–	–	100	–	Development of application software, system integration services and the provision of hardware and software maintenance services

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(c) Details of the subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of CSAS						
Applied Business Systems Sdn Bhd (ABS)	Malaysia	–	–	100	100	Distribution and maintenance of computer hardware and software
Formis Systems & Technology Sdn Bhd (FST)	Malaysia	–	–	100	100	Distribution and maintenance of computer hardware and software
Formis Advanced Systems Sdn Bhd (FAS)	Malaysia	–	–	85	85	Provision of information technology services in terms of hardware, software, consultancy and maintenance
Formis Computer Services Sdn Bhd (FCS)	Malaysia	–	–	100	100	Provision of computer technology and maintenance of computer hardware and software
First Solution Sdn Bhd (FIRST)	Malaysia	–	–	100	100	Distribution and maintenance of computer hardware and software
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 audited by BDO Member Firm.

† Subsidiaries not audited by BDO PLT.

^ 539,794,972 (2021: 124,913,793) ordinary shares in Microlink with a carrying amount of RM106,482,010 (2021: RM79,639,372) have been pledged for credit facilities granted to the Group as disclosed in Note 25 to the financial statements.

(d) Other details of investments in subsidiaries

(i) Incorporation of new subsidiaries

- (1) On 26 April 2021, Microlink, an indirectly 50.6% owned subsidiary of OHB had subscribed for a total of 1 share representing 100% of the entire issued and paid-up share capital of Dhanalynk, a company incorporated in Malaysia that is engaged in the development of application software, system integration services and the provision of hardware and software maintenance services for a total cash consideration of RM1.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Other details of investments in subsidiaries (cont'd.)

(i) Incorporation of new subsidiaries (cont'd.)

- (2) On 8 March 2022, OHB, a wholly-owned subsidiary of the Company had subscribed for a total of 1 share representing 100% of the entire issued and paid-up share capital of OTM, a company incorporated in Malaysia that is engaged in the provision of medical and pharmaceutical services for a total cash consideration of RM1. Consequently, OTM becomes a wholly-owned subsidiary of OHB.
- (3) On 9 March 2022, OHB, a wholly-owned subsidiary of the Company had subscribed for a total of 1 share representing 100% of the entire issued and paid-up share capital of Medilabz, a company incorporated in Malaysia that is engaged in the provision of medical and laboratory related services for a total cash consideration of RM1. Consequently, Medilabz becomes a 70% owned subsidiary of OHB.
- (4) In the previous financial year, NISB, a wholly-owned subsidiary of OHB had subscribed for a total of 1 share representing 100% of the entire issued and paid-up share capital of O Dojo, a company incorporated in Malaysia that is engaged in the provision and management of co-working spaces for potential customers and all related services thereto, and investment holding for a total cash consideration of RM1. Consequently, O Dojo becomes a wholly-owned subsidiary of NISB.
- (5) In the previous financial year, Microlink, an indirectly 51.8% owned subsidiary of the Company had subscribed for a total of 1 share represented 100% of the entire issued and paid-up share capital of ML Tridimas, a company incorporated in Malaysia that is engaged in the development of application software, system integration services and the provision of hardware and software maintenance services for a total cash consideration of RM1. Consequently, ML Tridimas becomes a wholly-owned subsidiary of Microlink.

(ii) Acquisition of equity interest in new subsidiaries

- (1) On 30 August 2021, OHB, a wholly-owned subsidiary of the Company had acquired 20,000 ordinary shares and subscribed additional 400,000 ordinary shares, representing 70% of the entire issued and paid-up share capital of BTSB, a company incorporated in Malaysia that is engaged in the trading of pharmaceutical products, for a total cash consideration of RM700,000.

Following the transaction, goodwill amounting to RM377,706 was recognised based on provisional fair values of identifiable assets and liabilities on the acquisition of BTSB.

The fair values of the identifiable assets and liabilities are currently being determined via the ongoing purchase price allocation exercise. The current provisional goodwill recognised on the acquisition of BTSB may differ upon the completion of the purchase price allocation, which shall be completed within one year from the acquisition date of 30 August 2021.

The provisional goodwill is also subject to change due to any profit guarantee compensations that may be received from the Vendors of the subsidiary acquired by OHB, details of which are disclosed in Note 7(d)(ii)(2). The quantum of the impact to the provisional goodwill amount cannot be reliably estimated at the financial year end due to uncertainties of the outcome. The fair value of these contingent considerations is therefore not reasonably determinable.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Other details of investments in subsidiaries (cont'd.)

(ii) Acquisition of equity interest in new subsidiaries (cont'd.)

(1) The net carrying value and provisional fair value of the identifiable assets and liabilities of BTSB as at the date of acquisition were:

	Net carrying value RM	Provisional fair value recognised on date of acquisition RM
Assets		
Property, plant and equipment	153,728	153,728
Inventories	824,280	824,280
Trade receivables	1,533,516	1,533,516
Other receivables, deposits and prepayments	6,394,080	6,394,080
Cash and bank balances	433,809	433,809
	9,339,413	9,339,413
Liabilities		
Trade payables	487,041	487,041
Other payables, deposits and accruals	8,209,656	8,209,656
Lease liabilities	182,296	182,296
	8,878,993	8,878,993
Total identifiable net assets at fair value		460,420
Net assets at fair value acquired (70%)		322,294
Provisional goodwill arising on acquisition		377,706
Total consideration		700,000

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

	RM
Total cash consideration	700,000
Less: Cash and cash equivalents of a subsidiary acquired	(433,809)
Net cash outflow on acquisition	266,191

From the date of acquisition, BTSB has contributed RM10,832,693 and RM367,386 to the Group's revenue and profit net of tax respectively for the financial year ended 31 March 2022. If the business combination had taken place at the beginning of the financial year ended 31 March 2022, BTSB would have contributed RM18,027,684 and RM596,756 to the Group's revenue and profit net of tax respectively.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Other details of investments in subsidiaries (cont'd.)

(ii) Acquisition of equity interest in new subsidiaries (cont'd.)

(2) On 28 January 2022, OHB, a wholly-owned subsidiary of the Company had acquired additional nine (9) entities (collectively referred as Bemed Group) which are engaged in wholesale and trading of pharmaceutical products, as follows:

	Equity interest acquired	Cash consideration RM
Bemed Pharma Sdn Bhd	70%	742,000
Bemed (PTJ) Sdn Bhd	70%	839,000
Bemed (ITT) Sdn Bhd	70%	156,000
Bemed Matahari Sdn Bhd	70%	502,000
Bemed Ventures Sdn Bhd	70%	1,474,000
Bemed Lagenda Sdn Bhd	70%	716,000
Be Med Sdn Bhd	70%	7,809,000
BB Boss Sdn Bhd	70%	3,373,000
Bemed Healthcare Sdn Bhd	70%	189,000
		<u>15,800,000</u>

Following the transaction, goodwill amounting to RM12,791,130 was recognised based on provisional fair values of identifiable assets and liabilities on the acquisition of Bemed Group.

The fair values of the identifiable assets and liabilities are currently being determined via the ongoing purchase price allocation exercise. The current provisional goodwill recognised on the acquisition of Bemed Group may differ upon the completion of the purchase price allocation, which shall be completed within one year from the acquisition date of 28 January 2022.

The provisional goodwill is also subject to change due to any profit guarantee compensations that may be received from the Vendors of subsidiaries acquired by OHB. The quantum of the impact to the provisional goodwill amount cannot be reliably estimated at the financial year end due to uncertainties of the outcome. The fair value of these contingent considerations is therefore not reasonably determinable.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Other details of investments in subsidiaries (cont'd.)

(ii) Acquisition of equity interest in new subsidiaries (cont'd.)

(2) The net carrying value and provisional fair value of the identifiable assets and liabilities of Bemed Group as at the date of acquisition were:

	Net carrying value RM	Provisional fair value recognised on date of acquisition RM
Assets		
Property, plant and equipment	1,442,664	1,442,664
Other intangible assets	3,003,333	3,003,333
Deferred tax assets	80,347	80,347
Inventories	5,674,923	5,674,923
Trade receivables	6,120,944	6,120,944
Other receivables, deposits and prepayments	3,805,332	3,805,332
Current tax assets	107,122	107,122
Cash and bank balances	4,630,028	4,630,028
	24,864,693	24,864,693
Liabilities		
Deferred tax liabilities	2,179	2,179
Trade payables	11,548,370	11,548,370
Other payables, deposits and accruals	4,875,670	4,875,670
Borrowings	2,706,283	2,706,283
Lease liabilities	1,433,805	1,433,805
	20,566,307	20,566,307
Total identifiable net assets at fair value		4,298,386
Net assets at fair value acquired (70%)		3,008,870
Provisional goodwill arising on acquisition		12,791,130
Total consideration		15,800,000

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

	RM
Total cash consideration	15,800,000
Less: Cash and cash equivalents of subsidiaries acquired	(4,630,028)
Net cash outflow on acquisition	11,169,972

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Other details of investments in subsidiaries (cont'd.)

(ii) Acquisition of equity interest in new subsidiaries (cont'd.)

- (2) From the date of acquisition, Bemed Group has contributed RM4,535,089 and RM1,655,204 to the Group's revenue and profit net of tax respectively for the financial year ended 31 March 2022. If the business combination had taken place at the beginning of the financial year ended 31 March 2022, Bemed Group would have contributed RM30,755,912 and RM8,135,864 (which includes a one-off gain on disposal of properties of RM3,716,229) to the Group's revenue and profit net of tax respectively.

Pursuant to the Share Sale Agreement dated 10 November 2021 on the acquisition of Bemed Group, OHB and the Vendors had entered into a Profit Guarantee Agreement, whereby the Vendors shall guarantee that the actual aggregate profit after tax (PAT) of Bemed Group for the financial year ending (FYE) 2022, 2023 and 2024 shall be collectively RM9,000,000, with an aggregate PAT of Bemed Group of not less than RM2,500,000 per financial year.

The aggregate PAT of Bemed Group for FYE 2022 is determined based on the results from 1 January 2021 till 31 March 2022, whereas FYE 2023 and FYE 2024 will be determined based on results from 1 April 2022/2023 to 31 March 2023/2024.

On 21 April 2022, OHB and the Vendors had entered into a Supplemental Letter Agreement in respect of the Profit Guarantee Agreement to include the acquisition of BTSB with original terms and conditions as Bemed Group to now also include the results of BTSB.

(iii) Dilution and accretion of equity interest in subsidiaries

- (1) During the financial year, OHB, a wholly-owned subsidiary of the Company acquired additional 4,738,300 ordinary shares in Microlink, a 51.8% owned subsidiary of OHB, representing 1.96% of the total issued and paid-up capital of Microlink for total cash consideration of RM12,052,833.
- (2) On 8 July 2021, OHB's equity interest in Microlink was diluted from 53.7% to 53.5%, as a result of allotment of 1,000,000 ordinary shares pursuant to Employees' Share Grant Plan in Microlink. Subsequently, OHB acquired 866,400 and disposed 400,000 ordinary shares in Microlink, representing 0.36% and 0.17% of the total issued and paid-up capital of Microlink, and amounting to RM2,202,262 and RM1,039,760 respectively.
- (3) On 12 August 2021, OHB's equity interest in Microlink was diluted from 53.7% to 53.6%, as a result of allotment of 300,000 ordinary shares pursuant to Employees' Share Grant Plan in Microlink. Thereafter, OHB acquired 230,000 and disposed 420,000 ordinary shares in Microlink, representing 0.09% and 0.17% of the total issued and paid-up capital of Microlink, amounting to RM589,820 and RM1,092,242 respectively.
- (4) On 20 August 2021, Microlink declared a bonus issue of 3 additional ordinary shares to every existing ordinary share, increasing the total issued ordinary shares from 242,590,340 to 970,361,360. Subsequently, OHB acquired 16,365,000 and disposed 1,000,000 ordinary shares in Microlink, representing 1.69% and 0.10% of the total issued and paid-up capital of Microlink, amounting to RM10,162,354 and RM615,800 respectively.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Other details of investments in subsidiaries (cont'd.)

(iii) Dilution and accretion of equity interest in subsidiaries (cont'd.)

- (5) On 2 March 2022, OHB's equity interest was diluted from 55.1% to 50.1%, as a result of a private placement of 97,036,100 ordinary shares in Microlink. Thereafter, OHB acquired another 4,716,000 ordinary shares in Microlink, representing 0.45% of the total issued and paid-up capital of Microlink, increasing OHB's equity interest in Microlink to 50.6% for a total cash consideration of RM2,600,982.
- (6) In the previous financial year, the Company acquired additional 189,998 ordinary shares in FRDEV, a wholly-owned subsidiary of the Company, for a total cash consideration of RM189,998.
- (7) In the previous financial year, OHB, a wholly-owned subsidiary of the Company, acquired additional 8,410,000 ordinary shares in Microlink, a 62.1% owned subsidiary of OHB, representing 4.54% of the total issued and paid-up capital of Microlink for a total cash consideration of RM10,483,726. In December 2020, OHB's equity interest in Microlink had been diluted from 66.6% to 50.9%, resulting from the private placement of 55,629,240 ordinary shares in Microlink. Subsequently, OHB acquired 2,157,800 ordinary shares in Microlink representing 0.9% of the total issued and paid-up share capital of Microlink for a total consideration of RM5,240,551. Following the acquisition, OHB then held 51.8% equity interest in Microlink.
- (8) In the previous financial year, CNA, a wholly-owned subsidiary of the Company, acquired additional 100 ordinary shares in Bancore Asia Pte Ltd, a 66.7% owned subsidiary of CNA, representing 33.3% of the total issued and paid-up share capital of BAP for a total cash consideration of RM3. Following the acquisition, BAP became a wholly-owned subsidiary of CNA.
- (9) In the previous financial year, OHB, a wholly-owned subsidiary of the Company, acquired additional 17,500 ordinary shares in MF, a 65% owned subsidiary of OHB, representing 5% of the total issued and paid-up share capital of MF for a total cash consideration of RM1. Following the acquisition, OHB then held 70% equity interest in MF.

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

2022	BM RM	PASB RM	MICROLINK RM	FNS RM	Other individually immaterial subsidiaries RM	Total RM
NCI percentage of ownership interest and voting interest	30.0%	40.0%	49.4%	49.0%	-	-
Carrying amount of NCI	1,029,917	(8,081,446)	98,204,417	3,220,039	(1,773,967)	92,598,960
(Loss)/Profit allocated to NCI	(806,114)	633,336	11,263,409	112,947	71,950	11,275,528
Total comprehensive (loss)/ income allocated to NCI	(806,114)	633,336	11,263,745	112,947	28,950	11,232,864

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

2021	BAP RM	PASB RM	MICROLINK RM	FNS RM	Other individually immaterial subsidiaries RM	Total RM
NCI percentage of ownership interest and voting interest	-	40.0%	48.2%	49.0%	-	-
Carrying amount of NCI	-	(7,448,110)	56,708,019	2,973,002	(2,511,621)	49,721,290
(Loss)/Profit allocated to NCI	(108,837)	(4,495,699)	13,513,853	(1,245,865)	(87,226)	7,576,226
Total comprehensive (loss)/ income allocated to NCI	(153,248)	(4,495,699)	13,514,465	(1,245,865)	(69,596)	7,550,057

(f) 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:

2022	BM RM	PASB RM	MICROLINK RM	FNS RM
Assets and liabilities				
Non-current assets	841,279	3,798,100	128,126,781	119,005,488
Current assets	5,139,281	6,425,976	173,650,078	64,859,880
Non-current liabilities	(513,038)	(305,652)	(9,851,747)	(20,113,516)
Current liabilities	(2,034,466)	(30,122,040)	(90,188,319)	(157,453,997)
Net assets/(liabilities)	3,433,056	(20,203,616)	201,736,793	6,297,855
Results				
Revenue	8,254,450	836,082	218,310,178	65,609,356
(Loss)/Profit for the financial year	(2,687,048)	(1,583,341)	25,459,001	230,505
Total comprehensive (loss)/income	(2,687,048)	(1,583,341)	25,459,682	230,505
Cash flows (used in)/from operating activities	(1,933,438)	(10,264,205)	33,622,102	19,751,800
Cash flows (used in)/from investing activities	(106,610)	8,555,137	(38,105,527)	6,393,439
Cash flows from/(used in) financing activities	2,208,000	54,547	56,476,476	(18,718,414)
Net changes in cash and cash equivalents	167,952	(1,654,521)	51,993,051	7,426,825

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

- (f) 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: (cont'd.)

2021	BAP RM	PASB RM	MICROLINK RM	FNS RM
Assets and liabilities				
Non-current assets	–	5,734,575	92,831,780	118,820,492
Current assets	–	8,137,268	112,829,566	42,916,773
Non-current liabilities	–	(189,577)	(9,114,249)	(25,859,715)
Current liabilities	–	(32,302,541)	(76,583,471)	(129,810,199)
Net (liabilities)/assets	–	(18,620,275)	119,963,626	6,067,351
Results				
Revenue	148	442,276	178,111,677	59,943,699
(Loss)/Profit for the financial year	(927,305)	(11,239,249)	31,791,115	(2,541,865)
Total comprehensive (loss)/income	(927,305)	(11,239,249)	31,802,420	(2,541,865)
Cash flows				
Cash flows (used in)/from operating activities	(27,341)	2,147,574	4,730,079	19,758,428
Cash flows used in investing activities	(188)	(568,086)	(59,515,713)	(14,730,997)
Cash flows (used in)/from financing activities	–	(1,572,693)	45,242,093	(4,689,900)
Net changes in cash and cash equivalents	(27,529)	6,795	(9,543,541)	337,531

8. INVESTMENTS IN ASSOCIATES

	Group	
	2022 RM	2021 RM (Restated)
Quoted equity shares in Malaysia		
Cost	36,833,762	35,692,376
Unquoted equity shares in Malaysia		
Cost	4,132,858	3,832,858
Less: Accumulated impairment losses	(1,650,000)	(1,650,000)
Carrying amount	2,482,858	2,182,858
Share of post-acquisition results, net of tax	48,365,991	50,857,241
	87,682,611	88,732,475
Market value:		
Quoted equity shares in Malaysia	16,971,980	22,844,634

8. INVESTMENTS IN ASSOCIATES (CONT'D.)

- (a) Investments in associates are measured at cost less accumulated impairment losses in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements of the Group.
- (b) Details of the associates are as follows:

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Associates of OHB						
#^@ Ho Hup Construction Company Berhad (Ho Hup)	Malaysia	–	–	11.4	10.6	Foundation engineering, civil engineering, building contracting works and hire of plant and machinery
α^ Crif Omesti Sdn Bhd (Crif Omesti)	Malaysia	–	–	30.0	30.0	Providing business information services, credit reporting services and related consultation services, systems development and consultancy and information technology services
Associates of CNA						
MIHCM Asia Sdn Bhd (MIHCM)	Malaysia	–	–	33.3	33.3	Distribution, marketing, implementing and maintenance and of human capital management software solutions and services in Asia
MYATM Sdn Bhd (MyATM)	Malaysia	–	–	35.9	35.9	Manufacturing, trading and servicing of banking equipment and providing outsource related services
μ^ Viewqwest Holdings Sdn Bhd (VHSB)	Malaysia	–	–	20.0	20.0	Investment holding and provision of management services

@ 53,879,300 (2021: 52,516,400) ordinary shares with a carrying amount of RM36,854,148 (2021: RM35,692,376) have been pledged for credit facilities granted to the Group as disclosed in Note 25 to the financial statements.

This associate has a different financial year end from the Group. In applying the equity method of accounting, the audited financial statements of the associate for the financial year ended 31 December 2021 and the unaudited financial statements for the period between 1 January 2022 and 31 March 2022 have been used.

α During the financial year, the Group subscribed 3,000 ordinary shares in Crif Omesti at an issue price of RM100 per share, representing 30% of the total issued share capital for a total cash consideration of RM300,000.

^ Associates not audited by BDO PLT.

8. INVESTMENTS IN ASSOCIATES (CONT'D.)

- (c) Reconciliation of net assets of the significant associates to the carrying amount of investments in associates is as follows:

2022	Ho Hup RM	MIHCM RM	MyATM RM	Other individually immaterial associates RM	Total RM
Share of net assets of the Group	55,186,109	409,513	489,546	–	56,085,168
Share of other reserve	(8,914,306)	–	–	–	(8,914,306)
Goodwill on consolidation	40,511,749	–	–	–	40,511,749
Carrying amount in the statements of financial position	86,783,552	409,513	489,546	–	87,682,611
Share of results of the Group for the financial year ended 31 March 2022					
Share of (loss)/profit of the Group	(2,164,948)	(29,901)	110,104	(426,679)	(2,511,424)
Share of other comprehensive income of the Group, net of tax	20,174	–	–	–	20,174
Share of total comprehensive (loss)/income of the Group	(2,144,774)	(29,901)	110,104	(426,679)	(2,491,250)

2021	Ho Hup RM (Restated)	MIHCM RM	MyATM RM	Other individually immaterial associates RM	Total RM (Restated)
Share of net assets of the Group	56,818,966	439,414	379,442	126,679	57,764,501
Share of other reserve	(9,543,775)	–	–	–	(9,543,775)
Goodwill on consolidation	40,511,749	–	–	–	40,511,749
Carrying amount in the statements of financial position	87,786,940	439,414	379,442	126,679	88,732,475
Share of results of the Group for the financial year ended 31 March 2021					
Share of profit/(loss) of the Group	6,717,802	(53,797)	84,392	(173,321)	6,575,076
Share of other comprehensive loss of the Group, net of tax	(5,714,551)	–	–	–	(5,714,551)
Share of total comprehensive (loss)/income of the Group	1,003,251	(53,797)	84,392	(173,321)	860,525

8. INVESTMENTS IN ASSOCIATES (CONT'D.)

(d) Summarised financial information of the significant associates are as follows:

2022	Ho Hup RM	MIHCM RM	MYATM RM
Assets and liabilities			
Non-current assets	550,161,000	11,268	72,402
Current assets	956,102,000	1,055,585	1,539,935
Non-current liabilities	(395,392,000)	–	(67,711)
Current liabilities	(677,583,000)	(1,477,786)	(199,576)
Net assets/(liabilities)	433,288,000	(410,933)	1,345,050
Results			
Revenue	192,036,000	3,205,616	959,522
(Loss)/Profit for the financial year	(46,073,000)	(82,321)	306,900
Total comprehensive (loss)/income	(47,094,000)	(82,321)	306,900
Cash flows (used in)/from operating activities	(19,794,000)	349,615	284,516
Cash flows from investing activities	(23,473,000)	(294,653)	(6,639)
Cash flows used in financing activities	(32,581,000)	(3,597)	(11,263)
Net changes in cash and cash equivalents	(75,848,000)	51,365	266,614
2021	Ho Hup RM (Restated)	MIHCM RM	MYATM RM
Assets and liabilities			
Non-current assets	552,889,000	7,509	106,278
Current assets	835,251,000	893,668	1,261,400
Non-current liabilities	(380,989,000)	–	(67,711)
Current liabilities	(540,263,000)	(1,229,789)	(261,816)
Net assets/(liabilities)	466,888,000	(328,612)	1,038,151
Results			
Revenue	279,975,000	2,339,293	1,002,184
Profit/(Loss) for the financial year	53,145,000	(161,391)	235,229
Total comprehensive income/(loss)	53,497,000	(161,391)	235,229
Cash flows (used in)/from operating activities	(183,853,000)	673,149	172,072
Cash flows (used in)/from investing activities	(39,512,000)	(708,750)	28,770
Cash flows from/(used in) financing activities	200,034,000	(9,600)	(50,783)
Net changes in cash and cash equivalents	(23,331,000)	(45,201)	150,059

8. INVESTMENTS IN ASSOCIATES (CONT'D.)**(e) Change in equity interest in an associate**Dilution

In the previous financial year, Ho Hup issued 82,476,600 ordinary shares in a private placement exercise. Following the exercise, OHB's equity interest in Ho Hup was diluted from 12.7% to 10.6%.

Accretion

During the financial year, OHB acquired a total of 3,716,900 ordinary shares in Ho Hup representing 0.8% of the equity interest in Ho Hup, in the open market for a total cash consideration of RM1,141,386. Following the acquisition, OHB as at 31 March 2022 held 11.4% equity interest in Ho Hup.

(f) Significant influence – Interest in Ho Hup

As at financial year end, the Group holds 11.4% (2021: 10.6%) interest in Ho Hup.

The Group has representation on the Board of Directors of Ho Hup who are able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

Based on the preceding, the Group considers that it has the ability to exercise significant influence and has treated its interest in Ho Hup as investments in associates.

(g) Movements in impairment losses are as follows:

	Group	
	2022 RM	2021 RM
As at 31 March 2022/2021	1,650,000	1,650,000

(h) Impairment assessment

Management assessed the recoverable amount of the investment in Ho Hup and determined that as at 31 March 2022, the recoverable amount based on value-in-use model was higher than its carrying amount. Consequently, no impairment was required for the current financial year.

9. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES

	Group	
	2022 RM	2021 RM
Unquoted shares, at cost	150,000	529,060
Share of post-acquisition reserve, net of tax	(150,000)	(524,060)
	–	5,000

(a) Investments in jointly-controlled entities are stated at cost in the separate financial statements. The Group recognises its interest in jointly-controlled entities as an investment and accounts for its investments using the equity method.

9. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES (CONT'D.)

(b) Details of the jointly-controlled entities are as follows:

Name of company	Country of incorporation/ Principal place of business	Interest in equity held by				Principal activities
		Company		Subsidiaries		
		2022 %	2021 %	2022 %	2021 %	
Jointly-controlled entity of OHB						
^Quadrant Biz Solutions Sdn Bhd (QBS)	Malaysia	–	–	50.0	50.0	Provision of corporate secretarial, share registration and management services
Jointly-controlled entity of Microlink						
^Asian Contact Solutions Sdn Bhd	Malaysia	–	–	–	50.0	Provision of eGovernment solutions and services which includes the design, development, implementation, operation and maintenance of software (systems and mobile apps) and the provision of associated support services

[^] Not audited by BDO PLT.

[#] This jointly-controlled entity has a different financial year end from the Group. In applying the equity method of accounting, the unaudited financial statements of the jointly-controlled entity as at 31 March 2022 have been used.

- (c) The joint ventures, in which the Group participates, are unlisted separate structured entities whose quoted market prices are not available. The contractual arrangement stipulates unanimous consent of all parties over relevant activities of joint ventures and provides the Group with only the rights to the net assets of the joint arrangements, with the rights to the assets and obligation for liabilities of the joint arrangements resting primarily with the joint ventures. These joint arrangements have been classified as joint ventures and have been included in the consolidated financial statements using the equity method.
- (d) On 24 November 2021, the Company made an announcement pertaining to the termination of the Joint Venture and Shareholders' Agreement with Scicom (MSC) Berhad (Scicom) for the purpose of regulating the conditions for and of the joint venture company, Asian Contact Solutions Sdn Bhd. The shares have been transferred to Scicom on 8 January 2022.
- (e) The financial results of the joint-controlled entities are not disclosed as it is not material to the Group.

10. OTHER INVESTMENTS

	Group	
	2022 RM	2021 RM
Non-current		
Equity securities:		
– Quoted shares in Malaysia	600,324	940,355
Transferable club memberships	105,000	105,000
Total non-current other investments	705,324	1,045,355
Current		
Equity securities:		
– Quoted income funds in Malaysia	83,795	99,415
– Quoted shares in Malaysia	4,390,867	–
Total current other investments	4,474,662	99,415
Total other investments	5,179,986	1,144,770

- (a) The equity securities are classified as financial assets at fair value through profit or loss.
- (b) Net fair value loss of RM133,099 (2021: Net fair value gain of RM240,000) was recognised during the financial year due to the changes in market value of quoted shares. The fair value was determined based on the last transacted price on 31 March 2022.
- (c) In the previous financial year, OHB, a wholly-owned subsidiary of the Company, had on 7 August 2020 and 8 September 2020 disposed a total of 42,140,550 ordinary shares (DGSB Shares) in Diversified Gateway Solutions Berhad (DGSB), representing 5.651% of the total number of issued shares of DGSB in the open market for a total cash consideration of RM6,341,083 or at an average of RM0.1505 per DGSB Share. Following the disposals, OHB now holds a balance of 54 DGSB Shares, representing less than 0.01% equity interest in DGSB.
- (d) In the previous financial year, OHB, a wholly-owned subsidiary of the Company, acquired 2,000,000 ordinary shares in WCE Holdings Berhad (WCE), for a total cash consideration of RM700,000.
- (e) 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		
2022						
Financial assets at fair value through profit or loss						
– Quoted shares	4,991,191	–	–	4,991,191	4,991,191	4,991,191
– Quoted income funds	83,795	–	–	83,795	83,795	83,795
– Transferable golf club memberships	–	–	105,000	105,000	105,000	105,000

10. OTHER INVESTMENTS (CONT'D.)

(e) Fair value hierarchy (cont'd.)

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		
2021						
Financial assets at fair value through profit or loss						
– Quoted shares	940,355	–	–	940,355	940,355	940,355
– Quoted income funds	99,415	–	–	99,415	99,415	99,415
– Transferable golf club memberships	–	–	105,000	105,000	105,000	105,000

(f) 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	
	2022 RM	2021 RM
Effects of 10% changes to stock indices		
Profit/(Loss) after tax	±379,000	±71,000

As the Group 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 is not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

(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	Cost approach	Counter party quotation	The higher the quotation, the higher the fair value of the other investment

11. OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current assets				
Other receivables	30,751,184	18,303,141	5,901,701	6,167,733
Less: Accumulated impairment losses	(13,173,792)	(10,731,686)	(4,758,070)	(4,758,070)
	17,577,392	7,571,455	1,143,631	1,409,663
Lease receivables	–	646,632	–	–
Deposits	4,474,121	1,324,684	381,853	48,307
Prepayments	15,667,450	8,668,663	5,180,980	306,795
	37,718,963	18,211,434	6,706,464	1,764,765

- (a) Other receivables, lease receivables and deposits are classified as financial assets measured at amortised cost.
- (b) In the previous financial year, the Group is an intermediate lessor in the sublease of software and hardware equipment. 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.

The finance lease receivables are subject to a fixed weighted average effective interest rate of 6.72% 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 change in interest rate.

- (c) The maturity profile of finance lease receivables at the end of each reporting period is summarised as follows:

	Group	
	2022 RM	2021 RM
Less than one (1) year	–	655,708
One (1) to two (2) years	–	–
		655,708
Less: Unearned interest income	–	(9,076)
	–	646,632

11. OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS (CONT'D.)

- (d) Impairment for other receivables, lease receivables and deposits are 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. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group defined significant increase in credit risk based on payment trends and past due information.

The probability of non-payment by other receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for the other receivables.

It requires management to exercise significant judgment in determining the probability of default by other receivables, appropriate forward-looking information and significant increase in credit risk.

- (e) The reconciliation of movements in allowance for impairment accounts in other receivables of the Group and of the Company are as follows:

	Group		
	Lifetime ECL allowance RM	Individually credit impaired RM	Total allowance RM
At 1 April 2020	448,887	5,218,106	5,666,993
Charge for the year	83,066	5,399,700	5,482,766
Written off	(2,280)	(21,655)	(23,935)
Reversal of impairment losses	(394,138)	–	(394,138)
At 31 March 2021	135,535	10,596,151	10,731,686
Charge for the year	122,713	2,340,702	2,463,415
Reversal of impairment losses	(21,309)	–	(21,309)
At 31 March 2022	236,939	12,936,853	13,173,792

	Company
	Individually credit impaired RM
As at 31 March 2022/2021	4,758,070

11. OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS (CONT'D.)

- (f) No expected credit loss is recognised arising from deposits as it is negligible.
- (g) The currency exposure profile of other receivables and deposits are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	21,946,266	9,405,640	1,525,484	1,457,970
Singapore Dollar	52,666	90,850	–	–
Vietnamese Dong	52,581	46,281	–	–
	22,051,513	9,542,771	1,525,484	1,457,970

- (h) 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	
	2022 RM	2021 RM
Effects of 10% changes to RM against foreign currencies		
Profit/(Loss) after tax	±8,000	±11,000

12. DEFERRED TAX

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

	Group	
	2022 RM	2021 RM
As at 1 April 2021/2020	(3,490,749)	(3,812,974)
Acquisition of subsidiaries	(78,168)	–
Recognised in profit or loss (Note 36)	3,818,965	322,225
As at 31 March 2022/2021	250,048	(3,490,749)
Presented after appropriate offsetting:		
Deferred tax assets, net	(3,496,828)	(3,492,779)
Deferred tax liabilities, net	3,746,876	2,030
	250,048	(3,490,749)

12. DEFERRED TAX (CONT'D.)

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

	Unused tax losses RM	Unabsorbed capital allowances RM	Other temporary differences RM	Total RM
Deferred tax assets of the Group				
Balance as at 1 April 2021	(2,436,781)	(28,611)	(4,281,002)	(6,746,394)
Recognised in profit or loss	(133,463)	28,611	302,830	197,978
Acquisition of subsidiaries	–	–	(80,347)	(80,347)
Balance as at 31 March 2022, prior to offsetting	(2,570,244)	–	(4,058,519)	(6,628,763)
Set-off				3,131,935
Balance as at 31 March 2022				(3,496,828)
Balance as at 1 April 2020	(2,591,312)	(31,328)	(4,454,675)	(7,077,315)
Recognised in profit or loss	154,531	2,717	173,673	330,921
Balance as at 31 March 2021, prior to offsetting	(2,436,781)	(28,611)	(4,281,002)	(6,746,394)
Set-off				3,253,615
Balance as at 31 March 2021				(3,492,779)

	Plant, property and equipment RM	Software development costs RM	Other temporary differences RM	Total RM
Deferred tax liabilities of the Group				
Balance as at 1 April 2021	235,252	–	3,020,393	3,255,645
Recognised in profit or loss	(59,280)	3,442,899	237,368	3,620,987
Acquisition of subsidiaries	–	–	2,179	2,179
Balance as at 31 March 2022, prior to offsetting	175,972	3,442,899	3,259,940	6,878,811
Set-off				(3,131,935)
Balance as at 31 March 2022				3,746,876
Balance as at 1 April 2020	243,948	–	3,020,393	3,264,341
Recognised in profit or loss	(8,696)	–	–	(8,696)
Balance as at 31 March 2021, prior to offsetting	235,252	–	3,020,393	3,255,645
Set-off				(3,253,615)
Balance as at 31 March 2021				2,030

12. DEFERRED TAX (CONT'D.)

- (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	
	2022 RM	2021 RM	2022 RM	2021 RM
Unused tax losses				
Expiry by 31 March 2028	84,307,873	82,487,799	–	–
Expiry by 31 March 2029	3,713,776	13,092,093	32,823	32,823
Expiry by 31 March 2030	5,041,142	9,939,828	2,921,790	2,921,790
Expiry by 31 March 2031	7,549,399	7,410,957	–	–
Expiry by 31 March 2032	19,195,744	–	16,170,205	–
Unabsorbed capital allowances	14,776,876	12,546,438	623,856	565,941
Other temporary differences	8,294,684	16,916,958	529,592	157,810
	142,879,494	142,394,073	20,278,266	3,678,364

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

The unutilised tax losses which were previously allowed to be utilised for seven (7) consecutive years of assessments (YAs) effective from YA 2019 was extended to ten (10) consecutive YAs during the financial year.

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.

13. PROPERTY, PLANT & EQUIPMENT

Group

2022	Balance as at 1.4.2021 RM	Acquisition of subsidiaries RM	Additions RM	Lease modifications and reassessment RM	Depreciation charges for the financial year RM	Translation adjustments RM	Balance as at 31.3.2022 RM
Carrying amount							
Buildings							
– Right-of-use assets	8,634,887	1,331,315	458,983	31,119	(1,657,631)	–	8,798,673
Computer equipment and software							
– Owned	5,840,935	7,626	197,371	–	(2,208,546)	64	3,837,450
– Right-of-use assets	38,682,969	–	18,228,147	–	(20,763,969)	–	36,147,147
Office equipment, furniture, fittings and renovation							
– Owned	600,756	243,584	56,891	–	(184,166)	335	717,400
– Right-of-use assets	287,446	–	166,007	–	(160,512)	–	292,941
Motor vehicles							
– Owned	4,958	–	–	–	(4,957)	–	1
– Right-of-use assets	4,358,905	–	242,579	–	(1,443,256)	–	3,158,228
Signboard							
– Owned	–	13,867	5,950	–	(630)	–	19,187
Work-in-progress							
– Owned	–	–	47,007	–	–	–	47,007
	58,410,856	1,596,392	19,402,935	31,119	(26,423,667)	399	53,018,034

	As at 31.3.2022		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings			
– Right-of-use assets	13,323,877	(4,525,204)	8,798,673
Computer equipment and software			
– Owned	20,740,376	(16,902,926)	3,837,450
– Right-of-use assets	77,973,450	(41,826,303)	36,147,147
Office equipment, furniture, fittings and renovation			
– Owned	5,739,411	(5,022,011)	717,400
– Right-of-use assets	572,813	(279,872)	292,941
Motor vehicles			
– Owned	570,587	(570,586)	1
– Right-of-use assets	6,753,237	(3,595,009)	3,158,228
Signboard			
– Owned	32,668	(13,481)	19,187
Work-in-progress			
– Owned	47,007	–	47,007
	125,753,426	(72,735,392)	53,018,034

13. PROPERTY, PLANT & EQUIPMENT (CONT'D.)

Group

2021	Balance as at 1.4.2020 RM	Additions RM	Lease modifications and reassessment RM	Disposals RM	Depreciation charge for the financial year RM	Translation adjustment RM	Balance as at 31.3.2021 RM
Carrying amount							
Buildings							
– Right-of-use assets	6,516,051	3,919,907	143,123	(507,874)	(1,436,320)	–	8,634,887
Computer equipment and software							
– Owned	5,535,601	2,645,176	–	(93,737)	(2,246,105)	–	5,840,935
– Right-of-use assets	9,767,907	41,506,892	–	–	(12,591,830)	–	38,682,969
Office equipment, furniture, fittings and renovation							
– Owned	727,185	44,565	–	–	(172,096)	1,102	600,756
– Right-of-use assets	240,389	137,012	–	–	(89,955)	–	287,446
Motor vehicles							
– Owned	9,958	–	–	–	(5,000)	–	4,958
– Right-of-use assets	2,253,901	2,946,713	262,472	(48,278)	(1,055,903)	–	4,358,905
	25,050,992	51,200,265	405,595	(649,889)	(17,597,209)	1,102	58,410,856

	As at 31.3.2021		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings			
– Right-of-use assets	11,036,175	(2,401,288)	8,634,887
Computer equipment and software			
– Owned	20,382,306	(14,541,371)	5,840,935
– Right-of-use assets	59,745,303	(21,062,334)	38,682,969
Office equipment, furniture, fittings and renovation			
– Owned	4,524,865	(3,924,109)	600,756
– Right-of-use assets	406,806	(119,360)	287,446
Motor vehicles			
– Owned	557,664	(552,706)	4,958
– Right-of-use assets	6,510,658	(2,151,753)	4,358,905
	103,163,777	(44,752,921)	58,410,856

13. PROPERTY, PLANT & EQUIPMENT (CONT'D.)

Company

2022	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	–	6,141,643	(805,998)	5,335,645
Computer equipment and software				
– Owned	5,515	–	(1,881)	3,634
– Right-of-use assets	36,189	–	(19,900)	16,289
Office equipment, furniture and fittings				
– Owned	152,980	–	(87,198)	65,782
Motor vehicles				
– Right-of-use assets	512,038	–	(170,676)	341,362
	706,722	6,141,643	(1,085,653)	5,762,712

	As at 31.3.2022		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Buildings			
– Right-of-use assets	6,141,643	(805,998)	5,335,645
Computer equipment and software			
– Owned	337,961	(334,327)	3,634
– Right-of-use assets	59,697	(43,408)	16,289
Office equipment, furniture and fittings			
– Owned	1,889,938	(1,824,156)	65,782
Motor vehicles			
– Right-of-use assets	853,395	(512,033)	341,362
	9,282,634	(3,519,922)	5,762,712

13. PROPERTY, PLANT & EQUIPMENT (CONT'D.)

Company

2021	Balance as at 1.4.2020 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2021 RM
Carrying amount				
Computer equipment and software				
– Owned	8,694	–	(3,179)	5,515
– Right-of-use assets	7,222	48,865	(19,898)	36,189
Office equipment, furniture and fittings				
– Owned	250,283	–	(97,303)	152,980
Motor vehicles				
– Right-of-use assets	682,716	–	(170,678)	512,038
	948,915	48,865	(291,058)	706,722

	As at 31.3.2021		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment and software			
– Owned	337,961	(332,446)	5,515
– Right-of-use assets	59,697	(23,508)	36,189
Office equipment, furniture and fittings			
– Owned	1,889,938	(1,736,958)	152,980
Motor vehicles			
– Right-of-use assets	853,395	(341,357)	512,038
	3,140,991	(2,434,269)	706,722

- (a) Each class of property, plant and equipment (excluding right-of-use assets) are measured after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group and the Company operate. The principal depreciation rates are as follows:

Computer equipment and software	20% to 33.3%
Office equipment, furniture, fittings and renovation	10% to 20%
Motor vehicles	20%

13. PROPERTY, PLANT & EQUIPMENT (CONT'D.)

- (c) The 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, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

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
Motor vehicles	2 – 5 years
Computer equipment	2 – 5 years

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Purchase of property, plant and equipment	19,402,935	51,200,265	6,141,643	48,865
Financed by hire purchase and lease liabilities	(16,940,559)	(48,510,524)	(6,141,643)	(48,865)
Unsettled and remained as other payables	(2,155,157)	–	–	–
Cash payments on purchase of property, plant and equipment	307,219	2,689,741	–	–

14. INVESTMENT PROPERTY**Group**

	Balance as at 1.4.2021 RM	Depreciation charge for the financial year RM	Impairment loss charge for the financial year RM	Balance as at 31.3.2022 RM
Carrying amount				
Freehold building	954,096	(19,877)	(240,000)	694,219

	As at 31.3.2022			
	Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Freehold building	993,850	(59,631)	(240,000)	694,219

14. INVESTMENT PROPERTY (CONT'D.)**Group**

	Balance as at 1.4.2020 RM	Depreciation charge for the financial year RM	Balance as at 31.3.2021 RM

Carrying amount

Freehold building	973,973	(19,877)	954,096
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	As at 31.3.2021		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold building	993,850	(39,754)	954,096

- (a) Investment property is initially measured at cost, which includes transaction costs. After initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the investment property to its residual values on a straight-line basis over its estimated useful life. The estimated useful life represents common life expectancy applied in the industry within which the Group operates. The principal depreciation period for the investment property is fifty (50) years.

- (b) The Level 3 fair value of investment property is RM696,727. The fair value is determined by the Directors based on market values for similar properties in the same vicinity obtained from property agencies. There is no transfer between levels in the hierarchy during the financial year.

15. INVENTORIES & CONTRACT COSTS

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Inventories					
At cost					
Hardware and software		25,610	1,186,333	–	–
Hardware maintenance parts and spares		1,462,838	6,944	–	–
Healthcare products		7,039,339	–	–	–
	(a)	8,527,787	1,193,277	–	–
Contract costs	(b)	6,234,668	17,955,643	2,627,654	12,731,644
		14,762,455	19,148,920	2,627,654	12,731,644

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

(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 RM175,775,162 (2021: RM183,393,223). The amount of inventories written off and inventory loss recognised as expenses during the financial year amounted to RM592,317 (2021: RM1,311,854).

(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 and the Company 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 assets relate. 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 assets relate 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.

At the end of the year, the Group and the Company assess if there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable.

(iv) Movement of contract costs is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 April 2021/2020	17,955,643	1,931,947	12,731,644	–
Capitalised during the financial year	42,092,810	28,487,009	15,825,267	14,276,010
	60,048,453	30,418,956	28,556,911	14,276,010
Transfer to software development costs	(10,345,599)	(1,415,683)	(7,721,829)	–
Recognised in profit or loss	(43,468,186)	(11,047,630)	(18,207,428)	(1,544,366)
	6,234,668	17,955,643	2,627,654	12,731,644

No provision for impairment losses were required on contract costs of the Group and the Company as at 31 March 2022 and 2021.

16. TRADE RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade receivables	71,822,277	65,026,891	18,617,942	990,513
Less: Accumulated impairment losses	(19,405,837)	(25,601,046)	(14,466)	(14,466)
	52,416,440	39,425,845	18,603,476	976,047

- (a) Trade receivables are classified as financial assets measured at amortised cost.
- (b) Trade credit terms of trade receivables granted by the Group and the Company range from 30 to 90 days (2021: 30 to 90 days) from date of invoice. They are recognised at their original amounts, which represent their fair values on initial recognition.
- (c) Impairment for trade receivables is recognised based on the simplified approach using the lifetime expected credit losses.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 4 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

- (d) 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.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group has identified the gross domestic product, unemployment rate, inflation rate, labour force participation rate and consumer price index as the key macroeconomic factors of the forward-looking information. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgment in determining the probability of default by trade receivables and appropriate forward-looking information.

16. TRADE RECEIVABLES (CONT'D.)

(e) The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Group		
	Lifetime ECL allowance RM	Individually credit impaired RM	Total allowance RM
At 1 April 2020	4,158,885	9,686,833	13,845,718
Charge for the year	11,090,070	4,578,860	15,668,930
Reversal of impairment losses	(3,880,076)	–	(3,880,076)
Written off	(33,526)	–	(33,526)
At 31 March 2021/1 April 2021	11,335,353	14,265,693	25,601,046
Charge for the year	667,318	126,394	793,712
Written off	(6,228,920)	–	(6,228,920)
Reversal of impairment losses	(503,337)	(296,824)	(800,161)
Acquisition in subsidiaries	40,160	–	40,160
At 31 March 2022	5,310,574	14,095,263	19,405,837

	Company		
	Lifetime ECL allowance RM	Individually credit impaired RM	Total allowance RM
At 1 April 2020	7,116	–	7,116
Charge for the year	–	7,350	7,350
At 31 March 2021/1 April 2021	7,116	7,350	14,466
Charge for the year	–	–	–
At 31 March 2022	7,116	7,350	14,466

(f) 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.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

16. TRADE RECEIVABLES (CONT'D.)

(g) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows:

	Gross carrying amount RM	Total allowance RM	Net carrying amount RM
2022			
Group			
Current	24,794,804	(32,528)	24,762,276
Past due:			
31 to 60 days	5,285,635	(34,912)	5,250,723
61 to 90 days	3,966,704	(43,912)	3,922,792
91 to 120 days	1,619,812	(258,151)	1,361,661
More than 120 days	36,155,322	(19,036,334)	17,118,988
	47,027,473	(19,373,309)	27,654,164
	71,822,277	(19,405,837)	52,416,440
Company			
Current	4,042,071	–	4,042,071
Past due:			
31 to 60 days	855,450	–	855,450
61 to 90 days	1,448,668	–	1,448,668
More than 120 days	12,271,753	(14,466)	12,257,287
	18,617,942	(14,466)	18,603,476
2021			
Group			
Current	22,348,124	(426,349)	21,921,775
Past due:			
31 to 60 days	9,477,979	(50,881)	9,427,098
61 to 90 days	4,241,614	(29,448)	4,212,166
91 to 120 days	1,551,904	(16,863)	1,535,041
More than 120 days	27,407,270	(25,077,505)	2,329,765
	42,678,767	(25,174,697)	17,504,070
	65,026,891	(25,601,046)	39,425,845
Company			
Past due:			
31 to 60 days	983,163	(7,116)	976,047
More than 120 days	7,350	(7,350)	–
	990,513	(14,466)	976,047

16. TRADE RECEIVABLES (CONT'D.)

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

	Group			
	<----- 2022 ----->		<----- 2021 ----->	
	RM	% of total	RM	% of total
By country				
Malaysia	52,416,440	100%	39,407,908	99%
United States of America	–	–	17,937	1%
	52,416,440	100%	39,425,845	100%

	Company			
	<----- 2022 ----->		<----- 2021 ----->	
	RM	% of total	RM	% of total
By country				
Malaysia	18,603,476	100%	976,047	100%

The Group and the Company does not have any significant exposure to any individual customer. The Group does not anticipate the carrying amounts recorded at the end of the reporting period to be significantly different from the values that would eventually be received.

- (i) The currency exposure profile of trade receivables are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	52,416,440	39,407,908	18,603,476	976,047
US Dollar	–	17,937	–	–
	52,416,440	39,425,845	18,603,476	976,047

- (i) 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	
	2022 RM	2021 RM
Effects of 10% changes to RM against foreign currencies		
Profit/(Loss) after tax	–	±1,000

17. CONTRACT ASSETS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Aggregate pre-contract costs incurred to date	19,997,511	17,798,578	–	–
Less: Accumulated impairment losses	(96,021)	(81,832)	–	–
Add: Attributable profits	42,151,498	14,186,474	–	–
	62,052,988	31,903,220	–	–
Less: Progress billings	(54,855,354)	(29,982,194)	–	–
	7,197,634	1,921,026	–	–
Represented by:				
Contract assets				
Projects	9,502,353	7,471,174	–	–
Contract liabilities (Note 31)				
Projects	(2,304,719)	(5,550,148)	–	–
	7,197,634	1,921,026	–	–

(a) Projects

Projects represent the timing differences in revenue recognition and the 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 rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

- (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 16(c) to the financial statements.

The reconciliation of movements in allowance for impairment accounts in contract assets is as follows:

	Group	
	Lifetime ECL allowance	
	2022 RM	2021 RM
At 31 March 2021/1 April 2020	81,832	66,697
Charge for the year	14,189	15,135
At 31 March 2022/31 March 2021	96,021	81,832

18. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2022 RM	2021 RM
Amounts owing by subsidiaries	227,499,482	131,179,959
Less: Accumulated impairment losses	(95,648,666)	(81,285,451)
	131,850,816	49,894,508
Amounts owing to subsidiaries	(114,788,262)	(90,941,005)

- (a) Amounts owing by/(to) subsidiaries are classified as financial assets and financial liabilities respectively, and measured at amortised cost.
- (b) Amounts owing by/(to) subsidiaries represent payments made on behalf, which are unsecured, interest-free and collectible/payable within next twelve (12) months in cash and cash equivalents.
- (c) Amounts owing by subsidiaries are denominated in Ringgit Malaysia.
- (d) The currency exposure profile of amounts owing to subsidiaries are as follows:

	Company	
	2022 RM	2021 RM
Ringgit Malaysia	112,181,020	88,816,796
Brunei Dollar	2,607,242	2,124,209
	114,788,262	90,941,005

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

	Company	
	2022 RM	2021 RM
Effects of 10% changes to RM against foreign currencies		
Profit/(Loss) after tax	±198,000	±161,000

18. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONT'D.)

- (f) Impairment for amounts owing by subsidiaries are 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. At the end of the reporting period, the Company assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group defined significant increase in credit risk based on payment trends and past due information.

The probability of non-payment by the subsidiaries is adjusted by forward-looking information (gross domestic product (GDP), unemployment rate, inflation rate, labour force participation rate and consumer price index) and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for the subsidiaries.

It requires management to exercise significant judgment in determining the probability of default by subsidiaries, appropriate forward-looking information and significant increase in credit risk.

- (g) Movements in the impairment allowance for amounts owing by subsidiaries of the Company are as follows:

	Lifetime ECL allowance RM	Individually credit impaired RM	Total allowance RM
At 1 April 2020	4,098,069	90,196,252	94,294,321
Charge for the year	2,409,732	–	2,409,732
Reversal of impairment losses	(1,784,059)	(13,634,543)	(15,418,602)
At 31 March 2021/1 April 2021	4,723,742	76,561,709	81,285,451
Charge for the year	14,481,990	–	14,481,990
Reversal of impairment losses	(118,775)	–	(118,775)
At 31 March 2022	19,086,957	76,561,709	95,648,666

- (h) 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 (1) year.

19. AMOUNTS OWING BY/(TO) ASSOCIATES

- (a) Amounts owing by/(to) associates are classified as financial assets and financial liabilities respectively, and measured at amortised cost.
- (b) Amounts owing by/(to) associates represent payments made on behalf, which are unsecured, interest-free and collectible/payable within next twelve (12) months in cash and cash equivalents.
- (c) Amounts owing by/(to) associates are denominated in RM.

19. AMOUNTS OWING BY/(TO) ASSOCIATES (CONT'D.)

- (d) Impairment for amounts owing by associates is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 18(f) to the financial statements.

No expected credit loss is recognised arising from amounts owing by associates as it is negligible.

- (e) The maturity profile of amounts owing to associates of the Company at the end of the reporting period based on contractual undiscounted repayment obligation is repayable within one (1) year.

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

- (a) Amounts owing by/(to) jointly-controlled entities are classified as financial asset and financial liability respectively, measured at amortised cost.
- (b) Amounts owing by/(to) jointly-controlled entities represent payments made on behalf, which are unsecured, interest-free and collectible/payable within next twelve (12) months in cash and cash equivalents.
- (c) Amounts owing by/(to) jointly-controlled entities are denominated in RM.
- (d) Impairment for amounts owing by jointly-controlled entities are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 18(f) to the financial statements.

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

- (e) The maturity profile of amounts owing to jointly-controlled entities of the Group and the Company at the end of the reporting period based on contractual undiscounted repayment obligation is repayable within one (1) year.

21. CASH & BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	73,831,095	119,619,343	1,446,479	107,391,946
Fixed deposits	23,679,140	10,927,420	10,136,541	1,129
	97,510,235	130,546,763	11,583,020	107,393,075

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Deposits with licensed banks of the Group and of the Company amounting to RM23,679,140 and RM10,136,541 (2021: RM10,927,420 and Nil) respectively are pledged to licensed banks for credit facilities granted to the Company and certain subsidiaries as disclosed in Note 25 to the financial statements.
- (c) Fixed deposits of the Group and of the Company with a carrying amount of RM23,679,140 (2021: RM10,927,420) and RM10,136,541 (2021: RM1,129) respectively are subject to fixed weighted average effective interest rates of 1.60% (2021: 1.62%) and 1.61% (2021: 2.70%) respectively.
- (d) Sensitivity analysis for fixed deposits at the end of the reporting period is not presented as fixed rate instruments is not affected by changes in interest rates.

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

- (e) 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	73,831,095	119,619,343	1,446,479	107,391,946
Fixed deposits	23,679,140	10,927,420	10,136,541	1,129
	97,510,235	130,546,763	11,583,020	107,393,075
Less: Deposits pledged to licensed banks (Note 25)	(23,679,140)	(10,927,420)	(10,136,541)	–
Less: Bank overdrafts (Note 24)	(12,430,188)	(3,094,793)	(9,949,369)	–
	61,400,907	116,524,550	(8,502,890)	107,393,075

- (f) No expected credit losses are recognised arising from cash and bank balances because the probability of default by these financial institutions are negligible.
- (g) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	97,316,837	130,344,793	11,583,020	107,393,075
Singapore Dollar	37,051	66,762	–	–
US Dollar	3,118	10,083	–	–
Indonesian Rupiah	21,423	21,115	–	–
Brunei Dollar	100,949	98,320	–	–
Vietnamese Dong	30,857	5,690	–	–
	97,510,235	130,546,763	11,583,020	107,393,075

- (h) 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	
	2022 RM	2021 RM
Effects of 10% changes to RM against foreign currencies		
Profit/(Loss) after tax	±14,000	±15,000

22. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2022 RM	2021 RM	2022 RM	2021 RM
Issued and fully paid-up share capital				
As at 1 April 2021/2020	532,478,635	530,838,235	276,259,614	275,505,851
Ordinary shares issued pursuant to Long-Term Incentive Plan (LTIP)	1,711,100	1,640,400	689,374	753,763
As at 31 March 2022/2021	534,189,735	532,478,635	276,948,988	276,259,614

- (a) During the financial year, the issued and fully paid-up share capital of the Company has been increased from RM276,259,614 comprising 532,478,635 ordinary shares to RM276,948,988 comprising 534,189,735 ordinary shares. The increase in the issued and paid-up share capital of the Company arose from the issuance of 1,711,100 new ordinary shares pursuant to the LTIP to eligible employees.
- (b) In the previous financial year, the issued and fully paid-up share capital of the Company has been increased from RM275,505,851 comprising 530,838,235 ordinary shares to RM276,259,614 comprising 532,478,635 ordinary shares. The increase in the issued and paid-up share capital of the Company arose from the issuance of 1,640,400 new ordinary shares pursuant to the LTIP to eligible employees.
- (c) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one 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		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable:				
Capital reserve	24,663,246	24,663,246	24,663,246	24,663,246
Exchange translation reserve	(937,700)	(210,458)	–	–
Warrant reserve	27,121,260	27,121,260	27,121,260	27,121,260
	50,846,806	51,574,048	51,784,506	51,784,506

- (a) Capital reserve

Capital reserve arose in the previous years from a par value reduction exercise.

23. RESERVES (CONT'D.)

(b) Exchange translation reserve

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.

(c) Warrant reserve

Warrant reserve represents the fair value assigned to Warrants 2021/2026 of RM0.1092 at the grant date in March 2021. Fair value was determined using the Black-Scholes-Merton option pricing model.

248,362,936 free detachable warrants (Warrants C) were issued on the basis of 1 RPS for every 5 existing Omesti Shares held together with 7 Warrants C for every 3 RPS subscribed at an issue price of RM1.00 per redeemable preference shares in the Company. The exercise price of each warrant has been fixed at RM0.50.

24. BORROWINGS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current liabilities				
Term loans (Note 25)	22,942,638	4,028,952	19,841,069	–
Current liabilities				
Invoice financing (Note 25)	4,656,415	1,964,728	–	–
Bank overdrafts (Note 25)	12,430,188	3,094,793	9,949,369	–
Trust receipts (Note 25)	25,433,617	17,537,174	–	–
Term loans (Note 25)	89,342,021	56,980,885	14,718,412	–
	131,862,241	79,577,580	24,667,781	–
	154,804,879	83,606,532	44,508,850	–
Total borrowings				
Invoice financing (Note 25)	4,656,415	1,964,728	–	–
Bank overdrafts (Note 25)	12,430,188	3,094,793	9,949,369	–
Trust receipts (Note 25)	25,433,617	17,537,174	–	–
Term loans (Note 25)	112,284,659	61,009,837	34,559,481	–
	154,804,879	83,606,532	44,508,850	–

24. BORROWINGS (CONT'D.)

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

	On demand or within one year RM	One to five years RM	Total RM
Group			
31 March 2022			
Invoice financing	4,856,175	–	4,856,175
Bank overdrafts	12,430,188	–	12,430,188
Trust receipts	26,995,241	–	26,995,241
Term loans	97,750,525	23,234,545	120,985,070
Total undiscounted financial liabilities	142,032,129	23,234,545	165,266,674
31 March 2021			
Invoice financing	2,080,916	–	2,080,916
Bank overdrafts	3,094,793	–	3,094,793
Trust receipts	18,655,870	–	18,655,870
Term loans	62,670,946	4,431,280	67,102,226
Total undiscounted financial liabilities	86,502,525	4,431,280	90,933,805
Company			
31 March 2022			
Bank overdrafts	9,949,369	–	9,949,369
Term loans	16,662,000	20,770,888	37,432,888
Total undiscounted financial liabilities	26,611,369	20,770,888	47,382,257

- (c) Invoice financing, bank overdrafts and trust receipts of the Group with a carrying amount of RM4,656,415 (2021: RM1,964,728), RM12,430,188 (2021: RM3,094,793) and RM25,433,617 (2021: RM17,537,174) are subject to floating weighted average effective interest rates of 4.29% (2021: 5.91%), 6.14% (2021: 5.64%) and 6.88% (2021: 6.38%) respectively.
- (d) Term loans of the Group with a carrying amount of RM112,284,659 (2021: RM61,009,837) are subject to fixed weighted average effective interest rates of 9.41% (2021: 9.99%). Included in terms loans is an amount of RM41,521,289 (2021: RM33,967,296) owing to a company related to a Director of the Company.

24. BORROWINGS (CONT'D.)

- (e) Sensitivity analysis of fixed rate borrowings as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates. Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Effects of 100bp changes to profit/ (loss) after tax				
Floating rate instruments	±323,000	±172,000	±51,000	–

- (f) All borrowings are denominated in Ringgit Malaysia.

25. BANK OVERDRAFTS, INVOICE FINANCING, TRUST RECEIPTS & TERM LOANS

Bank overdrafts, invoice financing, trust receipts and term loans are secured by the following:

- (a) Pledge of fixed deposits as disclosed in Note 21 to the financial statements;
- (b) First legal charge over the following:
- (i) 539,794,972 (2021: 124,913,793) shares in Microlink with carrying amount of RM106,482,010 (2021: RM79,639,372) as disclosed in Note 7 to the financial statements;
 - (ii) 53,879,300 (2021: 52,516,400) ordinary shares in Ho Hup with a total carrying amount of RM36,854,148 (2021: RM35,692,376) as disclosed in Note 8 to the financial statements.
- (c) Personal guarantee from certain Directors of certain subsidiaries; and
- (d) Corporate guarantees from certain subsidiaries and the Company.

26. REDEEMABLE PREFERENCE SHARES

	Group and Company	
	Number of shares	Amount RM
As at 1 April 2020	–	–
Issuance during the year	106,441,367	79,320,107
As at 31 March 2021	106,441,367	79,320,107
Unwinding of interest	–	4,805,599
As at 31 March 2022	106,441,367	84,125,706

26. REDEEMABLE PREFERENCE SHARES (CONT'D.)

- (a) In March 2021, the Company issued 106,441,367 new redeemable preference shares in the Company together with up to 248,362,936 free detachable warrants (Warrants C) on the basis of 1 RPS for every 5 existing Omesti Shares held together with 7 Warrants C for every 3 RPS subscribed at an issue price of RM1.00 per shares in accordance with the provision of the Company's Constitution. The exercise price of each warrant has been fixed at RM0.50.
- (b) The salient features of the RPS are as follows:
- (i) tenure of the RPS is 5 years commencing from and including the issuance date;
 - (ii) the RPS are not convertible to ordinary shares of the Company;
 - (iii) a cumulative gross preferential dividend rate out of the distribution profits of the Company, at a fixed rate of 5% per annum; and
 - (iv) the RPS, at the option of the Company, is to be redeemed at any time during the tenure of the RPS on a pro-rata basis at 100% of RM1.00 per RPS up to the maturity date. Any outstanding RPS as at the maturity Date which have not already been redeemed by the Company shall be mandatorily redeemed by the Company.

27. LEASE LIABILITIES

Carrying amount	Balance as at 1.4.2021 RM	Acquisition of subsidiaries RM	Additions RM	Lease modifications and reassessment RM	Lease termination RM	Lease payments RM	Interest expense RM	Balance as at 31.3.2022 RM
Group								
Buildings	9,443,667	1,616,101	459,373	31,119	-	(2,163,982)	686,614	10,072,892
Computer equipment and software	35,842,672	-	16,186,091	-	-	(17,682,053)	(208,614)	34,138,096
Office equipment, furniture, fittings and renovation	4,757,023	-	52,516	-	(315,084)	(2,255,135)	220,390	2,459,710
Motor vehicles	4,589,887	-	242,579	-	-	(1,531,102)	288,856	3,590,220
	54,633,249	1,616,101	16,940,559	31,119	(315,084)	(23,632,272)	987,246	50,260,918
Company								
Buildings	-	-	6,141,643	-	-	(842,280)	34,426	5,333,789
Computer equipment and software	51,474	-	-	-	-	(21,639)	2,271	32,106
Motor vehicles	577,582	-	-	-	-	(202,096)	408,315	783,801
	629,056	-	6,141,643	-	-	(1,066,015)	445,012	6,149,696

27. LEASE LIABILITIES (CONT'D.)

Carrying amount	Balance as at 1.4.2020 RM	Additions RM	Lease modifications and reassessment RM	Disposals RM	Lease payments RM	Interest expense RM	Lease concession RM	Balance as at 31.3.2021 RM
Group								
Buildings	7,097,858	3,919,908	(153,365)	(261,426)	(1,838,959)	715,546	(35,895)	9,443,667
Computer equipment and software	9,327,871	37,286,718	-	-	(10,729,434)	(42,483)	-	35,842,672
Office equipment, furniture, fittings and renovation	5,092,084	4,765,523	-	-	(5,399,960)	299,376	-	4,757,023
Motor vehicles	2,329,756	2,946,713	262,472	(51,640)	(1,111,938)	214,524	-	4,589,887
	23,847,569	48,918,862	109,107	(313,066)	(19,080,291)	1,186,963	(35,895)	54,633,249
Company								
Computer equipment and software	7,468	48,865	-	-	(5,459)	600	-	51,474
Motor vehicles	734,026	-	-	-	(202,095)	45,651	-	577,582
	741,494	48,865	-	-	(207,554)	46,251	-	629,056

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Represented by:				
Non-current liabilities	27,378,533	34,836,045	5,423,901	442,018
Current liabilities	22,882,385	19,797,204	725,795	187,038
	50,260,918	54,633,249	6,149,696	629,056
Lease liabilities owing to financial institutions	3,118,898	5,060,402	-	-
Lease liabilities owing to non-financial institutions	47,142,020	49,572,847	6,149,696	629,056
	50,260,918	54,633,249	6,149,696	629,056

- (a) The Group and the Company have certain leases of machineries with lease term of 12 months or less, and low value leases of office equipment of RM10,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

27. LEASE LIABILITIES (CONT'D.)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation charge of right-of-use assets (included in depreciation and amortisation expenses)	24,025,368	15,174,008	996,574	190,576
Interest expense on lease liabilities (included in finance costs)	987,246	1,186,963	445,012	46,251
Expense relating to short-term leases and low-value assets (included in other operating expenses)	164,354	312,562	10,378	9,812
Gain on disposal of right-of-use assets	–	(35,524)	–	–
Lease concessions	–	(35,895)	–	–
	25,176,968	16,602,114	1,451,964	246,639

(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:

	Weighted average incremental borrowing rate per annum %	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31 March 2022					
Group					
Lease liabilities	2.77% – 8.70%	26,946,095	24,423,009	2,163,268	53,532,372
Company					
Lease liabilities	5.30% – 6.95%	1,125,149	4,577,274	1,971,288	7,673,711
31 March 2021					
Group					
Lease liabilities	4.11% – 8.47%	21,213,738	31,975,615	5,464,612	58,653,965
Company					
Lease liabilities	5.30% – 6.95%	223,735	460,003	16,181	699,919

28. PROVISIONS

The Group and the Company operate an unfunded defined Retirement Benefit Scheme (the Scheme) and gratuity 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.

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Present value of unfunded defined benefit obligations: Gratuity obligations	4,780,885	4,798,262	1,107,675	1,031,685

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Analysed as follows:				
Current liabilities	478,257	–	239,326	–
Non-current liabilities				
– later than 1 year and not later than 5 years	1,833,146	1,539,961	520,340	682,666
– more than 5 years	2,469,482	3,258,301	348,009	349,019
	4,302,628	4,798,262	868,349	1,031,685
Total provisions	4,780,885	4,798,262	1,107,675	1,031,685

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Balance as at 1 April 2021/2020	4,798,262	4,412,609	1,031,685	1,022,476
Current service cost recognised in profit or loss	(17,377)	385,653	75,990	9,209
Balance as at 31 March 2022/2021	4,780,885	4,798,262	1,107,675	1,031,685

28. PROVISIONS (CONT'D.)

Key assumptions used for this valuation (presented by weighted average) are as follows:

	2022	2021
Group		
Discount rate	3.71%	3.22%
Salary increase rate	2.49% – 5.51%	2.70% – 6.22%
Annual voluntary resignation rate	11.11% – 60.00%	11.11% – 60.00%
Mortality rate table	Malaysia Ordinary Insured 2011-2015	Malaysia Ordinary Insured 2011-2015
Normal retirement age	60 years	60 years
Company		
Discount rate	3.71%	3.22%
Salary increase rate	3.03%	3.03%
Annual voluntary resignation rate	11.11%	11.11%
Mortality rate table	Malaysia Ordinary Insured 2011-2015	Malaysia Ordinary Insured 2011-2015
Normal retirement age	60 years	60 years

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		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Effects of 100bp changes in:				
– discount rate	±279,033	±321,839	±36,150	±42,988
– salary increase rate	±285,676	±356,876	±38,318	±45,809
– annual voluntary resignation rate	±422,675	±745,592	±54,567	±38,166

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.

29. 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 1 month to 6 months (2021: 1 month to 6 months) from date of invoice.
- (c) The currency exposure profile of trade payables are as follows:

	Group	
	2022 RM	2021 RM
Ringgit Malaysia	35,282,455	31,790,540
US Dollar	1,080,278	1,298,290
Singapore Dollar	37,308	37,100
Great Britain Pound	17,502	21,408
Vietnamese Dong	15,170	13,385
	36,432,713	33,160,723

- (d) The maturity profile of the trade payables of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one (1) year.
- (e) 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	
	2022 RM	2021 RM
Effects of 10% changes to RM against foreign currencies		
Profit/(Loss) after tax	±87,000	±104,000

30. OTHER PAYABLES, DEPOSITS & ACCRUALS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current:				
Provision for restoration cost	180,788	157,548	–	–
Current:				
Other payables and accruals	38,264,460	47,624,122	6,401,824	2,481,967
Refundable deposits	385,889	585,855	–	–
	38,650,349	48,209,977	6,401,824	2,481,967

30. OTHER PAYABLES, DEPOSITS & ACCRUALS (CONT'D.)

- (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	
	2022 RM	2021 RM
At 1 April 2021/2020	157,548	146,148
Acquisition of subsidiaries	22,277	–
Unwinding of discount	963	11,400
At 31 March 2022/2021	180,788	157,548

Under the provision of lease agreements, the Group has 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 7.80%.

- (c) The table below summarises the maturity profile of the other payables, deposits and accruals (excluding provision) of the Group at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM
31 March 2022	
Other payables, deposits and accruals	38,650,349
31 March 2021	
Other payables, deposits and accruals	48,209,977

The maturity profile of the other payables, deposits and accruals of the Company at the end of the reporting period based on contractual undiscounted repayment obligation is repayable on demand or within one (1) year.

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	38,088,880	47,478,424	6,401,824	2,481,967
Brunei Dollar	12,900	12,564	–	–
Indonesia Rupiah	385,966	313,084	–	–
Singapore Dollar	29,924	294,939	–	–
United States Dollar	16,902	13,585	–	–
Vietnamese Dong	115,777	97,381	–	–
	38,650,349	48,209,977	6,401,824	2,481,967

30. OTHER PAYABLES, DEPOSITS & ACCRUALS (CONT'D.)

- (e) 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Effects of 10% changes to RM against foreign currencies				
Profit/(Loss) after tax	±43,000	±56,000	–	–

31. CONTRACT LIABILITIES

Note	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Contract liabilities in relation to:				
Projects 17	2,304,719	5,550,148	–	–
Deferred income:				
– maintenance income	16,417,133	16,829,177	1,389,367	4,637,560
	18,721,852	22,379,325	1,389,367	4,637,560

- (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 that have been made to the customers before the services are provided to the customers.
- (b) Deferred income represents advance billings for contract works and maintenance services.
- (c) The amount of RM21,339,817 (2021: RM27,311,298) recognised in contract liabilities at the beginning of the financial year has been recognised as revenue at the end of reporting period.
- (d) 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Within 1 year	17,907,033	21,339,817	1,389,367	4,637,560
Between 1 and 4 years	814,819	1,039,508	–	–
	18,721,852	22,379,325	1,389,367	4,637,560

32. CONTINGENT LIABILITIES

	Company	
	2022 RM	2021 RM
Corporate guarantees given to financial institutions and leasing corporations for facilities granted to certain subsidiaries		
– Unsecured	34,122,580	34,122,580
– Secured	259,955,500	223,559,028

- (i) Corporate guarantees given to financial institutions and leasing corporations for facilities granted to subsidiaries are financial guarantee contracts designated as insurance contracts as defined in MFRS 4 *Insurance Contracts*.
- (ii) The Directors are of the view that the chances of the counter parties to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.
- (iii) Corporate guarantees given to financial institutions and leasing corporations are disclosed in Note 25 to the financial statements.

33. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers:				
Projects	62,357,486	22,593,012	–	–
Maintenance income	33,096,227	79,493,875	–	–
Sales of hardware equipment and software	148,840,496	112,854,790	–	–
Management fees	–	1,426,575	3,143,520	3,290,400
Consultancy services	45,068,791	4,371,995	45,219,847	4,006,083
Healthcare products	15,367,782	–	–	–
	304,730,782	220,740,247	48,363,367	7,296,483
Other revenue:				
Rental income	563,000	14,483,660	–	–
	305,293,782	235,223,907	48,363,367	7,296,483
Timing of revenue recognition				
Transferred over time	140,522,505	106,458,882	45,219,847	4,006,083
Transferred at a point in time	164,208,277	114,281,365	3,143,520	3,290,400
	304,730,782	220,740,247	48,363,367	7,296,483

Disaggregation of revenue from contracts with customers

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.

33. REVENUE (CONT'D.)**(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 to measure progress towards complete satisfaction of the service, as the customer simultaneously received and consumes the benefits provided by the Group. Revenue is recognised on a straight-line basis over the contracted period as services are provided on a continuous basis.

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 estimate 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) Sale of hardware equipment and software

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

33. REVENUE (CONT'D.)**(c) Sale of hardware equipment and software (Cont'd.)**

Some contracts include multiple deliverables, such as the installation of hardware equipment 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 equipment and software, the revenue for installation services are recognised at a point in time when the customer has accepted the installation of the hardware equipment or software.

There is no significant financing component in the revenue arising from sale of hardware equipment and software as the sales are made on the normal credit terms not exceeding twelve (12) months.

(d) Management fees

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

(e) Consultancy services

Revenue from provision of management consultancy services is recognised over time throughout the period of contracts. 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 income.

(f) Network connectivity and bandwidth services

Revenue from provision of network connectivity and bandwidth services is recognised at the time of customer usage and upon the rendering of services.

(g) Rental income

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

(h) Sales of healthcare products

Revenue from sale of healthcare products is recognised at a point in time when the healthcare products have been transferred to the customers and coincides with the delivery of products and acceptance by customers.

There is no significant financing component in the revenue arising from sale of healthcare products as the sales are made on the normal credit terms not exceeding twelve (12) months.

34. EMPLOYEE BENEFITS

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages, bonuses and allowances	31,567,284	37,516,612	5,042,552	4,647,295
Defined contribution plan	3,991,921	4,454,447	677,667	577,129
Shares granted under ESGP				
– Directors	908,340	431,609	–	–
– Other employees	2,724,664	2,991,668	689,374	753,763
(Reversal of)/Provision for gratuity obligations	(17,377)	385,653	75,990	9,209
Other employee benefits	3,290,563	1,877,640	462,973	307,715
	42,465,395	47,657,629	6,948,556	6,295,11

- (a) Included in the employee benefits of the Group and of the Company are remuneration paid to Executive Directors' amounting to RM4,759,939 (2021: RM2,454,968) and RM1,555,321 (2021: RM1,040,597) respectively.
- (b) Estimated monetary value of benefits-in-kind provided to the Directors of the Group are RM92,500 (2021: RM110,702).
- (c) Remuneration of Directors and other key management personnel during the financial year are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors' fees	1,553,056	1,408,617	444,150	516,968
Salaries, and other short term employee benefits:				
Directors' remuneration	4,759,939	2,454,968	1,555,321	1,040,597
Other key management personnel	4,245,418	3,641,077	1,501,613	1,367,148
	9,005,357	6,096,045	3,056,934	2,407,745

35. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expenses on:				
– bank charges	560,032	142,542	436,439	33,335
– bank guarantee charges	27,013	175,501	–	33,263
– bank overdrafts	193,600	153,875	–	–
– commitment fees	–	5,580	–	–
– lease liabilities	987,246	1,186,963	445,012	46,251
– letter of credit and trust receipts	930,348	1,080,384	–	–
– term loans	6,904,216	4,945,784	2,259,992	–
– redeemable preference shares	10,127,667	–	10,127,667	–
– others	–	1,996,626	–	–
	19,730,122	9,687,255	13,269,110	112,849

36. TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense based on (loss)/profit for the financial year				
Malaysian income tax	5,821,948	1,468,756	50,604	–
Under provision in prior years				
Malaysian income tax	560,498	132,583	10,635	–
	6,382,446	1,601,339	61,239	–
Deferred tax (Note 12)				
Relating to originating and reversal of temporary differences	4,512,798	990,963	–	–
Over provision in prior years	(693,833)	(668,738)	–	–
	3,818,965	322,225	–	–
	10,201,411	1,923,564	61,239	–

36. TAX EXPENSE (CONT'D.)

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profit/(loss) for the fiscal year.

Tax expense for other taxation authorities is calculated at the rates prevailing in those respective jurisdictions.

Numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	2021 RM (Restated)	2022 RM	2021 RM
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	313,850	1,991,983	(9,566,210)	1,543,979
Tax effects in respect of:				
Non-allowable expenses	30,542,627	15,575,432	5,661,344	2,507,723
Non-taxable income	(20,542,141)	(17,587,000)	(28,506)	(3,711,353)
Effect of tax savings from Small and Medium Enterprise incentive	(96,091)	–	–	–
Movements in deferred tax assets not recognised	116,501	2,479,304	3,983,976	(340,349)
	10,334,746	2,459,719	50,604	–
Under provision of income tax in prior years	560,498	132,583	10,635	–
Over provision of deferred tax in prior years	(693,833)	(668,738)	–	–
	10,201,411	1,923,564	61,239	–

Tax on each component of other comprehensive income/(loss) is as follows:

	Group		
	Before tax RM	Tax effect RM	After tax RM

Items that may be reclassified subsequently to profit or loss

2022

Foreign currency translations	(790,080)	–	(790,080)
Share of other comprehensive income of associates	20,714	–	20,714

2021

Foreign currency translations	(483,515)	–	(483,515)
Share of other comprehensive loss of associates	(5,714,551)	–	(5,714,551)

37. LOSS PER ORDINARY SHARE

(a) Basic loss per ordinary share

	Group	
	2022	2021 (Restated)
Loss attributable to owners of the parent (RM)	(20,169,230)	(1,199,862)
Number of ordinary shares in issue at the beginning of financial year	532,478,635	530,838,235
Effects of issuance of shares pursuant to LTIP	598,541	482,900
Weighted average number of ordinary shares applicable to basic loss per ordinary share	533,077,176	531,321,135
Basic loss per ordinary share (sen)	(3.78)	(0.23)

(b) Diluted loss per ordinary share

The diluted loss per ordinary share equal basic loss per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

38. DIVIDEND

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

39. LONG-TERM INCENTIVE PLAN (LTIP)

At an Extraordinary General Meeting held on 24 September 2013, the Directors were authorised to proceed with the establishment and administration of the LTIP, which comprises an Employee Share Option Scheme (ESOS) and an Employee Share Grant Plan (ESGP) and is administered by the LTIP Committee 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 16 October 2013, unless extended further.

On 16 August 2018, 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 16 October 2018 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 15% 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 in issue in the 12 months period up to (and including) the date of the grant;
- (c) Options granted may be exercised at any time within the option period from the date of offer;

39. LONG-TERM INCENTIVE PLAN (LTIP) (CONT'D.)

The main features of the LTIP are as follows: (cont'd.)

- (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; 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 fair value of share options granted in the current financial year to eligible employees, was determined using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted.

The fair value of share options measured at the grant date and the input assumed by the Company in arriving the fair value are as follows:

ESOS	Offer 1	Offer 2
Exercise price (RM)	0.660	0.500
Date of grant	6 January 2014	6 April 2015
Share price of the Company at grant date (RM)	0.715	0.505
Option life (years)	3	3
Volatility (%)	50.030	35.491
Risk-free rate (%)	3.172	3.314

40. 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 direct and indirect subsidiaries.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statements;
- (ii) Associates as disclosed in Note 8 to the financial statements;
- (iii) Jointly-controlled entities as disclosed in Note 9 to the financial statements;
- (iv) Companies in which certain Directors have financial interests; and
- (v) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

40. RELATED PARTY DISCLOSURES (CONT'D.)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Subsidiaries				
– Management fee income	–	–	2,411,520	3,061,200
– Human resources consultancy services	–	–	41,530	27,550
– Purchase of goods and services	–	–	34,046,621	1,259,815
– Rental paid	–	–	–	401,870
– Rental income	–	–	2,052,219	–
Jointly-controlled entity				
– Rental income	–	–	49,296	–
Company related to a Director of the Company				
– Interest expense	2,642,250	3,697,531	–	–
– Sales of goods	1,600,000	–	–	–

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

41. CAPITAL 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 going concern whilst maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from financial year ended 31 March 2021.

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 year ended 31 March 2022.

The gearing ratios as at 31 March 2022 and 31 March 2021 are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total borrowings (Note 24)	154,804,879	83,606,532	44,508,850	–
Total equity attributable to owners of the parent	194,681,802	213,441,359	59,191,296	–
Gearing ratio	79.5%	39.2%	28.0%	–

41. CAPITAL MANAGEMENT (CONT'D.)

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 March 2022.

The Group is not subject to any other externally imposed capital requirements.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Group's activities are exposed to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity and cash flow risks. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to financial risk management policies.

There have been no significant changes on the Group's exposure to financial risks from the previous year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

The Group's management reviews and agrees on policies managing each of the financial risks and they are summarised as follows:

(a) 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 rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, mainly Singapore Dollar (SGD), US Dollar (USD), Great Britain Pound (GBP), Indonesian Rupiah (IDR), Vietnam Dong (VND) and Brunei Dollar (BND). Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

A sensitivity analysis for foreign currency risk has been disclosed in Notes 11, 16, 18, 21, 29 and 30 to the financial statements respectively.

(b) Interest rate risk

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

The income and operating cash flows of the Group are independent of changes in market interest rate. Interest rate exposure arises mainly from bank borrowings of the Group and is managed through effective negotiation with financial institutions for best available rates.

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

42. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES (CONT'D.)

(c) 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 major international institutions and reputable multinational 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 and other receivables, while the primary exposure of the Company arises through its other receivables and amounts owing by subsidiaries. The trading terms of the Group with its customers are mainly on credit. The credit period is generally for a period of 30 days, extending up to 90 days for major customers.

The credit risk concentration profile has been disclosed in Note 16 to the financial statements.

(d) Liquidity and cash flow risks

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 analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 18, 19, 20, 24, 27, 29 and 30 to the financial statements respectively.

43. ADOPTION OF NEW MFRSS & AMENDMENT TO MFRSS

43.1 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
<i>Interest Rate Benchmark Reform – Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021

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

43. ADOPTION OF NEW MFRSS & AMENDMENT TO MFRSS (CONT'D.)**43.2 NEW MFRSS THAT HAVE BEEN ISSUED, BUT ONLY EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2022**

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been early adopted by the Group and the Company:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to MFRS 112 <i>Income Taxes</i>)	1 January 2023
<i>Initial Application of MFRS 17 and MFRS 9 Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contracts</i>)	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

44. EFFECTS OF ADOPTION OF IFRIC AGENDA DECISION ON MFRS 123 BORROWING COSTS

In March 2019, the IFRIC published an agenda decision on borrowing costs confirming receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysia Accounting Standard Board announced that an entity should apply the change in accounting policy as a result of this IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

In line with the IFRIC Agenda Decision, Ho Hup, an indirect associate of the Group has adopted the IFRIC Agenda Decision retrospectively in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* where comparative information has been restated to reflect the new accounting policy.

44. EFFECTS OF ADOPTION OF IFRIC AGENDA DECISION ON MFRS 123 BORROWING COSTS (CONT'D.)

The effects of adoption of IFRIC Agenda Decision on MFRS 123 *Borrowing Costs* on the financial position and financial performance of the Group is set out as follows:

- (i) Reconciliation of statements of financial position (extract):

Group	As previously reported RM	Effects of IFRIC Agenda Decision on MFRS 123 RM	Restated RM
1 April 2020			
ASSETS			
Non-current assets			
Investments in associates	97,422,622	(3,905,753)	93,516,869
Equity attributable to owners of the parent			
Accumulated losses	(107,975,767)	3,905,753	(111,881,520)
31 March 2021			
ASSETS			
Non-current assets			
Investments in associates	90,772,638	(2,040,163)	88,732,475
Equity attributable to owners of the parent			
Accumulated losses	(112,352,140)	2,040,163	(114,392,303)

44. EFFECTS OF ADOPTION OF IFRIC AGENDA DECISION ON MFRS 123 BORROWING COSTS (CONT'D.)

The effects of adoption of IFRIC Agenda Decision on MFRS 123 *Borrowing Costs* on the financial position and financial performance of the Group is set out as follows: (cont'd.)

- (ii) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 March 2021 (extract):

Group	As previously reported RM	Effects of IFRIC Agenda Decision on MFRS 123 RM	Restated RM
Share of results of associates, net of tax	4,709,486	1,865,590	6,575,076
Profit before tax	6,434,338	1,865,590	8,299,928
Profit for the year	4,510,774	1,865,590	6,376,364
(Loss)/Profit attributable to:			
Owners of the parent	(3,065,452)	1,865,590	(1,199,862)
Non-controlling interest	7,576,226	–	7,576,226
	4,510,774	1,865,590	6,376,364

- (iii) The effects of adoption of IFRIC Agenda Decision on MFRS 123 *Borrowings Costs* did not have an impact to the statements of cash flows. Accordingly, no reconciliation of statements of cash flows have been presented.

45. MATERIAL LITIGATION

- (a) Foster Moore International Limited (the Plaintiff) vs. Formis Network Services Sdn Bhd (FNS) and Omesti Berhad (Omesti)

On 13 May 2020, the Group announced that the Company, together with FNS (collectively “the Defendants”), received a Writ of Summons (Writ) and Statement of Claim both dated 2 April 2020 filed by the Plaintiff.

It alleged that FNS has failed to pay the Plaintiff for works done in accordance with a Master Service Agreement dated 20 November 2017 entered into between the Plaintiff, Omesti (as corporate guarantor to guarantee the payment obligation of FNS) and FNS. The works in question relate to the provision of services and deliverables by the Plaintiff to FNS in connection with an online register of companies solution to the Companies Commission of Malaysia (CCM). The Plaintiff’s claim against both FNS and the Company are, amongst others, in the sum of USD786,283 together with interest and costs.

The Defendants filed a Statement of Defence and Counterclaim against the Plaintiff on 10 July 2020. In the Counterclaim, the Defendants are claiming for damages for overpayment to the Plaintiff and licence fees in the approximate sum of USD1.0 million.

The Defendants have also applied for a security for costs against the Plaintiff primarily on the basis that the Plaintiff does not have any asset within Malaysia. In this regard, both parties have recorded a consent Order on 15 April 2021 wherein the Plaintiff shall deposit a sum of RM200,000 into a bank account (jointly held by the Plaintiff’s solicitors and Defendants’ solicitor) as security for Defendants’ costs in the event the court awards costs in the favour of Omesti.

45. MATERIAL LITIGATION (CONT'D.)

- (a) Foster Moore International Limited (the Plaintiff) vs. Formis Network Services Sdn Bhd (FNS) and Omesti Berhad (Omesti) (cont'd.)

The Court has fixed for a case management on 15 May 2023 for both parties to finalise pre-trial documents, and also fixed for trial dates from 5 to 9 June 2023.

The Group is of the view that the Group has a fair chance of defending the claim and also in succeeding with the Counterclaim. The Group assessed that the expected losses arising from the litigation are the expenses in engaging advocates and solicitors to address the litigation and the cost of the litigation and litigation proceedings.

- (b) Formis Network Services Sdn Bhd (FNS) vs. Suruhanjaya Syarikat Malaysia (the Defendant)

On 11 February 2021, the Group announced that FNS (the Plaintiff), filed a Writ and Statement of Claim (SOC) as Plaintiff against SSM (the Defendant) in relation to the termination of the Agreement.

As announced on 9 July 2020, FNS had received a letter dated 8 July 2020 confirming that SSM had maintained its decision to terminate the Agreement in accordance with SSM's 5 August 2019 letter as SSM believes that no amicable solution can be reached between the parties. Prior thereto, the parties were in dispute resolution discussions, a mechanism provided for under the Agreement, since FNS took the position that SSM had wrongfully terminated the Agreement and that FNS did not accept the said termination as it was invalid. The Plaintiff's claim against the Defendant in the sum of RM128,178,068.

On 5 April 2021, the Group announced that FNS was served with the Defendant's Defence and Counterclaim on 2 April 2021. The Defendant is alleging that FNS is not entitled to any of the reliefs claimed in its SOC, and by way of counterclaim, the Defendant has claimed in sum of RM49,298,651 with no fixed rate on the interests, inter alia, liquidated ascertained damages, costs and expenses purportedly incurred, including for FNS' alleged failure to complete the services under the Agreement, as well as interests.

On 28 April 2021, FNS filed an injunction application against the Defendant to restrain the Defendant from using and/or disseminating FNS's intellectual property and/or confidential information including works created and/or products designed and/or developed by FNS in performing its obligations under the Agreement, until the final disposition of the litigation. FNS also filed a sealing application to ensure all documents relating to FNS's intellectual property and/or confidential information. On 12 May 2021, FNS also filed and served its reply to the Defendant, denying and disputing the Defendant's Defence and Counterclaim.

A consent order for the sealing application was recorded on 14 July 2021. The Court fixed the injunction application for hearing on 19 May 2022, where it was partially heard and the Court further fixed the application to resume on 1 August 2022 for continued hearing.

The Group is of the view that the Group has a fair chance of defending the claim and also in succeeding with the Counterclaim. The Group assessed that the expected losses arising from the litigation are the expenses in engaging advocates and solicitors to address the litigation and the cost of the litigation and litigation proceedings.

46. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) The World Health Organisation declared the 2019 Novel Coronavirus infection (COVID-19) a pandemic on 11 March 2020. Following this, the Government of Malaysia had imposed a series of Movement Control Order (MCO) pursuant to the Prevention and Control of Disease Act 1988 (PCDA) which was further extended until the conditions set by the Government of Malaysia for the various phases of the National Recovery Plan are achieved. On 8 March 2022, the Government of Malaysia announced that the Country will begin its transition to endemic phase of COVID-19 from 1 April 2022 with the opening of its international borders and abolishment of certain COVID-19 restrictions.

The management has assessed the financial impact on the Group and on the Company and is of the opinion that there were no material financial impact arising from the pandemic during the financial year. Nevertheless, the extent of the financial impact on the Group and on the Company are difficult to assess at the date of authorisation of financial statements due to uncertainties arising from the pandemic. To mitigate their potential risks exposure, the Group and the Company have taken and will continue to take necessary steps to safeguard and reserve their financial condition, emphasising on liquidity management to meet their continuing financial commitments and liquidity needs.

- (b) During the financial year, the share capital of the subsidiary, Microlink increased due to the following:
- (i) 1,300,000 ordinary shares issued under Employee Share Grant Plan at exercise prices ranging from RM2.2991 to RM2.2539 per ordinary share at no consideration;
 - (ii) On 20 August 2021, 727,771,020 ordinary shares issued under bonus issue on the basis of 3 bonus shares for every 1 existing ordinary shares; and
 - (iii) On 28 February 2022, 97,036,100 ordinary shares issued under private placement at price of RM0.55 per ordinary share for cash.
- (c) On 10 May 2021, the Company acquired 510,000 ordinary shares, representing 51% of the entire equity interest of Firstrax Sdn. Bhd. ("Firstrax"), a company incorporated in Malaysia, that is engaged in providing management consultancy services, for a total cash consideration for RM1. The Company has not consolidated the results of Firstrax as its subsidiary as the Company has no control nor significant influence over the management and financial affairs of Firstrax.
- (d) On 30 August 2021, OHB, a wholly-owned subsidiary of the Company had acquired 70% equity interest in BTSB. Subsequently, on 28 January 2022, OHB had acquired 70% equity interest in additional nine (9) entities of Bemed Group as further disclosed in Note 7(d)(ii).
- (e) On 2 March 2022, OHB, a wholly-owned subsidiary of the Company entered into a Joint-Venture and Shareholders' Agreement with Tree Med Sdn Bhd for the purpose of regulating the conditions for and the formation and operation of a joint-venture company (JVC) to be formed between OHB and TMSB (JVSA).

The purpose of the JVSA is to formalise a collaboration between OHB and TMSB (collectively referred to as the "Parties") to pool resources for the common purpose of participating in and bidding for healthcare-related tenders and/or projects via the JVC.

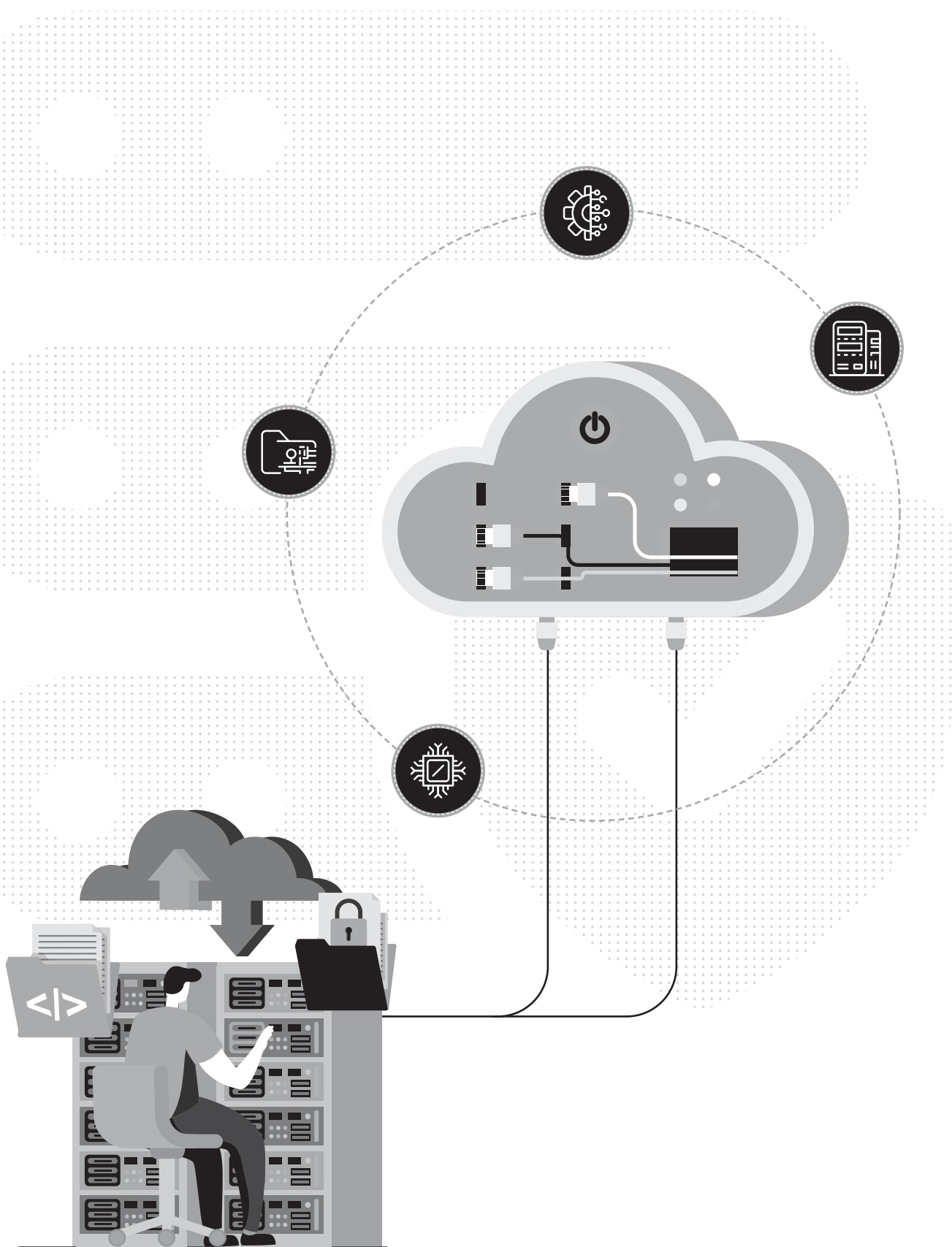
On 8 March 2022, OHB, a wholly-owned subsidiary of the Company subscribed for a total of 1 share representing 100% of entire issued and paid-up share capital of OTM, for the purpose of fulfilling the JVSA.

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

- (a) On 21 April 2022, OHB, a wholly-owned subsidiary of the Company had subscribed for a total of 1 share representing 100% of the entire issued and paid-up share capital of Aurora 360 Sdn Bhd (Aurora 360), a company incorporated in Malaysia that is engaged in the provision of healthcare services for a total cash consideration of RM1. Consequently, Aurora 360 becomes a wholly-owned subsidiary of OHB.
- (b) On 22 June 2022, the Company announced that FNS, an indirect 51% subsidiary of the Company, had on 21 June 2022 received and accepted a Letter of Award (LOA) from Tenaga Nasional Berhad for the "Leasing of Personal Computers for Tenaga Nasional Berhad" project for a duration of 3 years, commencing on 21 June 2022 at a total contract value of RM25,312,416 with no clause on the renewal in the LOA.
- (c) On 17 May 2022, Medilabz, an indirect wholly-owned subsidiary of the Company held via OHB had issued 299,999 ordinary shares for which 209,999 was subscribed by OHB and the remaining 90,000 was subscribed by a third party, representing 70% and 30% of the enlarged issued and paid-up share capital of Medilabz respectively. Consequently, Medilabz becomes an indirect 70% owned subsidiary of the Company.
- (d) On 12 July 2022, the Company announced that OHB, a wholly-owned subsidiary of the Company entered into a Joint Venture and Shareholders' Agreement with 360 Medic Holdings Sdn Bhd (360MH) for the purpose to regulate the conditions for the formation and operation of a joint venture company, namely, Aurora 360 Sdn Bhd.

The purpose of the JVSA is to formalise a collaboration between OHB and 360MH (collectively referred to as the "Parties") to pool resources for the common purpose of establishing and operating one or more diagnostic and screening centre(s) in Malaysia.

- (e) On 18 July 2022, the Company announced that Microlink would cease to be a subsidiary of OHB, a wholly-owned subsidiary of the Company, and would be recognised as an associate, due to the following:
 - (i) OHB had on 1 June 2022 and 2 June 2022, acquired 800,000 and disposed 15,000,000 ordinary shares respectively in Microlink for a net consideration of RM8,225,280. These transactions collectively reduced OHB's equity interest in Microlink from 50.6% as at 31 March 2022, to 49.2% currently.
 - (ii) On 18 July 2022, the Company announced the resignation of three of its Directors from the board (two of whom are common Directors of Microlink), and the redesignation of a Director. As a result of the changes in the composition of the board of the Company, it would reduce the common directorships and management personnel with Microlink's Board and Management. With effect from this date, the Company would now cease to have control over the Board and Management of Microlink, and going forward would account for the interest in Microlink as an investment in associate and no longer as a subsidiary.





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