MYKRIS INTERNATIONAL BERHAD

(Incorporated in Malaysia)
Company No: 811039 - T

FINANCIAL REPORT
for the financial year ended 31 March 2019

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MYKRIS INTERNATIONAL BERHAD
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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	6,787,388	2,280,521
Attributable to:-		
Owners of the Company	6,787,388	2,280,521

DIVIDENDS

Since the end of the previous financial year, the Company:-

(a) declared and paid a first interim dividend of RM0.01 per ordinary share on 300,000,000 ordinary shares, amounting to RM3,000,000 in respect of the financial year ended 31 March 2019; and

(b) declared a special final interim dividend of RM0.01 per ordinary share on 300,000,000 ordinary shares, amounting to RM3,000,000 in respect of the financial year ended 31 March 2019 ("Special Dividend") on 28 May 2019. The Special Dividend was paid on 14 June 2019 to shareholders whose names appeared in the record of depositors on 7 June 2019. The financial statements for the current financial year do not reflect this Special Dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2020.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year :-

(a) the Company increased its issued and paid-up share capital from RM13,000,140 to RM20,999,580 by way of an issuance of 39,997,200 new ordinary shares for a total cash consideration of RM7,999,440 pursuant to its listing on LEAP Market of Bursa Malaysia as disclosed in Note 15 to the financial statements;

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Chew Choo Soon
Chang Wai Hoong
Siow Hock Lee

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.4.2018	Bought	Sold	At 31.3.2019
Direct Interests				
Chew Choo Soon	130,001,400	-	-	130,001,400
Chang Wai Hoong	130,001,400	-	-	130,001,400

By virtue of their shareholdings in the Company, Chew Choo Soon and Chang Wai Hoong are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other director holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporation) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 29 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable 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 details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 23 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Group's subsidiaries are disclosed in Note 5 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT (converted from a conventional partnership, Crowe Malaysia), have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 23 to the financial statements.

Signed in accordance with a resolution of the directors dated 21 June 2019.

Chew Choo Soon

Chang Wai Hoong

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Chew Choo Soon and Chang Wai Hoong, being two of the directors of MyKRIS International Berhad, state that, in the opinion of the directors, the financial statements set out on pages 12 to 76 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 of 31 March 2019 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 21 June 2019.

Chew Choo Soon **Chang Wai Hoong**

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Chew Choo Soon, being the director primarily responsible for the financial management of MyKRIS International Berhad, do solemnly and sincerely declare that the financial statements set out on pages 12 to 76 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Chew Choo Soon, NRIC number: 651024-07-5533
at Kuala Lumpur
in the Federal Territory
on this 21 June 2019

Chew Choo Soon

Before me

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MYKRIS INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No: 811039 - T

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MyKRIS International Berhad, which comprise the statements of financial position as at 31 March 2019 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 12 to 76.

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 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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. 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' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial 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.

Key Audit Matters (Cont'd)

<table>
<tr><td colspan="2">Goodwill Impairment
Refer to Note 9 in the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key Audit Matter</td></tr>
<tr><td>Goodwill balance as at 31 March 2019 stood at RM6.8 million.

Management is required to conduct annual impairment assessment on the goodwill. For this purpose, management has estimated the recoverable amount of the cash-generating unit in which the goodwill is attached to, using the value-in-use approach. This is derived from the present value of the future cash flows from the cash-generating unit.

This assessment is significant to our audit as it is highly subjective, involves significant judgement and is based on assumptions that may be affected by future market and economic conditions.

Further details are shown in Note 9 to the financial statements.</td><td>Our procedures included, amongst others:-
• Reviewed management's estimate of the recoverable amount and tested the cash flows forecast for their accuracy;
• Reviewed the key business drivers underpinning the cash flows forecast prepared to support the recoverable amount;
• Evaluated the appropriateness and reasonableness of the key assumptions by considering prior budget accuracy, comparison to recent performance and our understanding of the business, trend analysis, and historical results;
• Reviewed sensitivity analysis performed by management over the key assumptions to understand the impact of changes over the valuation model; and
• Reviewed the adequacy of the Group's disclosures.</td></tr>
</table>

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 Directors' 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Group and the Company's ability 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- 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.

- 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 Group and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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 Group's or the Company's ability 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.

- 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.

- 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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, related safeguards.

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 financial 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.

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.

Crowe Malaysia PLT	**Chua Wai Hong**
LLP0018817-LCA & AF 1018	02974/09/2019 J
Chartered Accountants	Chartered Accountant

21 June 2019

Kuala Lumpur

MYKRIS INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No: 811039 - T

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2019

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	36,297,718	36,297,718
Property and equipment	6	15,134,598	13,261,487	3,002	747
Investment properties	7	758,852	767,684	-	-
Development expenditure	8	34	34	-	-
Goodwill on consolidation	9	6,828,836	6,828,836	-	-
Deferred tax assets	10	615,000	292,000	-	-
		23,337,320	21,150,041	36,300,720	36,298,465
CURRENT ASSETS					
Trade receivables	11	5,072,940	3,128,962	-	-
Other receivables, deposits and prepayments	12	2,537,127	1,780,449	15,526	2,000
Contract assets	13	741,134	-	-	-
Current tax assets		16,320	-	16,320	-
Short-term deposit	14	2,068,762	1,017,609	-	-
Cash and bank balances		19,637,379	12,581,007	7,103,438	3,324
		30,073,662	18,508,027	7,135,284	5,324
TOTAL ASSETS		53,410,982	39,658,068	43,436,004	36,303,789

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2019 (CONT'D)

		The Group		The Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	20,999,580	13,000,140	20,999,580	13,000,140
Retained profits		18,962,393	15,175,005	22,264,189	22,983,668
TOTAL EQUITY		39,961,973	28,175,145	43,263,769	35,983,808
NON-CURRENT LIABILITIES					
Hire purchase payables	16	36,024	210,208	-	-
Term loan	17	6,358,544	6,857,264	-	-
		6,394,568	7,067,472	-	-
CURRENT LIABILITIES					
Trade payables	18	443,617	653,166	-	-
Other payables and accruals	19	2,918,217	2,558,392	171,614	221,969
Contract liabilities	20	1,861,778	-	-	-
Hire purchase payables	16	172,097	206,971	-	-
Term loan	17	498,720	498,720	-	-
Amount owing to a subsidiary	21	-	-	621	97,712
Current tax liabilities		1,160,012	498,202	-	300
		7,054,441	4,415,451	172,235	319,981
TOTAL LIABILITIES		13,449,009	11,482,923	172,235	319,981
TOTAL EQUITY AND LIABILITIES		53,410,982	39,658,068	43,436,004	36,303,789

MYKRIS INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No: 811039 - T

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
REVENUE	22	38,989,481	34,854,838	4,680,000	6,910,000
COST OF SALES		(15,687,518)	(13,527,895)	(986)	-
GROSS PROFIT		23,301,963	21,326,943	4,679,014	6,910,000
OTHER INCOME		277,476	244,510	5,308	3,090
		23,579,439	21,571,453	4,684,322	6,913,090
ADMINISTRATIVE EXPENSES		(9,385,982)	(8,018,990)	(2,364,434)	(253,956)
SELLING AND DISTRIBUTION EXPENSES		(2,499,095)	(2,903,578)	(12,429)	-
OTHER OPERATING EXPENSES		(2,149,050)	(2,068,157)	(5,717)	(8,413)
FINANCE COSTS		(24,061)	(28,908)	-	-
PROFIT BEFORE TAXATION	23	9,521,251	8,551,820	2,301,742	6,650,721
INCOME TAX EXPENSE	24	(2,733,863)	(1,429,005)	(21,221)	(1,000)
PROFIT AFTER TAXATION		6,787,388	7,122,815	2,280,521	6,649,721
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		6,787,388	7,122,815	2,280,521	6,649,721
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		6,787,388	7,122,815	2,280,521	6,649,721
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		6,787,388	7,122,815	2,280,521	6,649,721
EARNINGS PER SHARE (SEN)	25				
Basic		2.42	2.74		
Diluted		2.42	2.74		

MYKRIS INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No: 811039 - T

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The Group	Note	Share Capital RM	Retained Profits RM	Total Equity RM
At 1.4.2017		13,000,140	9,052,190	22,052,330
Total comprehensive income for the financial year		-	7,122,815	7,122,815
Contribution by and distributions to owners of the Company:				
- Dividend	26	-	(1,000,000)	(1,000,000)
At 31.3.2018/ 1.4.2018		13,000,140	15,175,005	28,175,145
Total comprehensive income for the financial year		-	6,787,388	6,787,388
Contribution by and distributions to owners of the Company:				
- Issuance of shares		7,999,440	-	7,999,440
- Dividend	26	-	(3,000,000)	(3,000,000)
Total transactions with owners		7,999,440	(3,000,000)	4,999,440
At 31.3.2019		20,999,580	18,962,393	39,961,973

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

The Company	Note	Share Capital RM	Retained Profits RM	Total Equity RM
At 1.4.2017		13,000,140	17,333,947	30,334,087
Total comprehensive income for the financial year		-	6,649,721	6,649,721
Contribution by and distributions to owners of the Company:				
- Dividend	26	-	(1,000,000)	(1,000,000)
At 31.3.2018/1.4.2018		13,000,140	22,983,668	35,983,808
Total comprehensive income for the financial year		-	2,280,521	2,280,521
Contribution by and distributions to owners of the Company:				
- Issuance of shares		7,999,440	-	7,999,440
- Dividend	26	-	(3,000,000)	(3,000,000)
Total transactions with owners		7,999,440	(3,000,000)	4,999,440
At 31.3.2019		20,999,580	22,264,189	43,263,769

MYKRIS INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Company No: 811039 - T

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		9,521,251	8,551,820	2,301,742	6,650,721
Adjustments for:-					
Depreciation of property and equipment		2,508,588	1,865,451	965	320
Depreciation of investment properties		8,832	8,833	-	-
Impairment losses on trade receivables		202,028	41,385	-	-
Interest expense		14,299	25,584	-	-
Share issue expenses		730,865	-	730,865	-
Property and equipment written off		17,321	4,738	-	-
Unrealised loss on foreign exchange		795	-	-	-
Gain on disposal of an associate		-	(49)	-	-
Dividend income		-	-	(3,000,000)	(6,910,000)
Gain on disposal of property and equipment		-	(29,056)	-	-
Interest income		(114,301)	(91,478)	(5,308)	(3,090)
Writeback of impairment losses on receivables		(20,185)	(53,139)	-	-
Operating profit/(loss) before working capital changes		12,869,493	10,324,089	28,264	(262,049)
Increase in trade and other receivables		(2,882,499)	(734,325)	(13,526)	(2,000)
Increase in net contract liabilities		1,120,644	-	-	-
Increase/(Decrease) in trade and other payables		150,276	(5,093,744)	(50,355)	(5,771,558)
Increase in amount owing to a subsidiary		-	-	-	97,712
CASH FROM/(FOR) OPERATIONS		11,257,914	4,496,020	(35,617)	(5,937,895)
Interest paid		(14,299)	(25,584)	-	-
Income tax paid		(2,412,645)	(1,185,193)	(37,841)	(700)
Income tax refund		1,272	-	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		8,832,242	3,285,243	(73,458)	(5,938,595)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividends received		-	-	3,000,000	7,710,000
Interest received		114,301	91,478	5,308	3,090
Proceeds from disposal of an associate		-	49	-	-
Proceeds from disposal of property and equipment		-	29,057	-	-
Purchase of property and equipment	27(a)	(4,399,020)	(3,602,410)	(3,220)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(4,284,719)	(3,481,826)	3,002,088	7,713,090
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividend paid		(3,000,000)	(1,800,000)	(3,000,000)	(1,800,000)
Drawdown of term loan		-	1,859,776	-	-
Net withdrawal/(placement) of fixed deposits with maturity of more than 3 months		-	2,016,145	-	-
Proceeds from issuance of ordinary shares		7,999,440	-	7,999,440	-
Share issue expenses		(730,865)	-	(730,865)	-
Repayment to directors		-	(209,245)	-	-
Repayment of hire purchase obligations	27(b)	(209,058)	(212,539)	-	-
Repayment to subsidairies		-	-	(97,091)	-
Repayment of term loan	27(b)	(498,720)	(83,120)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		3,560,797	1,571,017	4,171,484	(1,800,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,108,320	1,374,434	7,100,114	(25,505)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(795)	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		13,598,616	12,224,182	3,324	28,829
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	27(c)	21,706,141	13,598,616	7,103,438	3,324

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	No. 2-1, Jalan Sri Hartamas 8 Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan
Principal places of business	:	C-1-G, Jalil Link 2 No.5, Jalan Jalil Perkasa 1 Bukit Jalil 57000 Kuala Lumpur Wilayah Persekutuan

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 21 June 2019.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3. BASIS OF PREPARATION (CONT'D)

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles
- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements other than the new classification of financial assets under MFRS 9 which is disclosed in Note 32.3 to the financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates And Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made. The carrying amount of current tax liabilities as at the reporting date is RM1,160,012 (2018 - RM498,202).

(b) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 11 and 13 to the financial statements.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 9 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Critical Accounting Estimates And Judgements (Cont'd)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of Consolidation (Cont'd)

(a) Business Combinations (Cont'd)

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 (2018 - MFRS 139) or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

4.4 Functional and Foreign Currencies

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional and presentation currency.

(b) Foreign CurrencyTransactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 - Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

Debt Instruments (cont'd)

(i) Amortised Cost (cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial Instruments (cont'd)

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments include transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 Property and Equipment

All items of property and equipment are initially measured at cost. Cost includes expenditure directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property and equipment, including freehold buildings, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation on property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Freehold building	2%
Motor vehicles	20%
Furniture and fittings	10 - 20%
Office equipment	20%
Computer equipment	20% - 33.33%
Broadband equipment	20% - 33.33%
Data centre equipment	20%
Cabling	20% - 33.33%
Renovation	10%
Wireless equipment	20% - 33.33%
Software	20%
Infrastructure	20%

Capital work-in-progress included in property and equipment are not depreciated as these assets are not yet available for use.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Property and Equipment (Cont'd)

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.8 Investment Properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are within 90 years to 95 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Development Expenditure

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:

(a) its ability to measure reliably the expenditure attributable to the asset under development;
(b) the product or process is technically and commercially feasible;
(c) its future economic benefits are probable;
(d) its intention to complete and the ability to use or sell the developed asset; and
(e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense are not recognised as assets in the subsequent period.

The development expenditure is amortised on the straight-line method over a period of 5 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.

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

4.10 Impairment

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Impairment (Cont'd)

(a) Impairment of Financial Assets (Cont'd)

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12- month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its evalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Impairment (Cont'd)

(b) Impairment of Non-financial Assets (Cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.11 Contract Asset and Contract Liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 - Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Leased Assets

Finance Lease

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

4.14 Income Taxes

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Income Taxes (Cont'd)

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.15 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.16 Employee Benefits

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses and are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.17 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.19 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.21 Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

4.22 Revenue From Contracts With Customers and Other Income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed todate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 Revenue From Contracts With Customers and Other Income (Cont'd)

(a) *Sale of Goods*

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) *Rendering of Services*

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer received and uses the benefits simultaneously. As a practical expedient, the Group recognizes revenue on the straight-line method over the period of service.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) *Interest Income*

Interest income is recognised on an accrual basis using the effective interest method.

(d) *Dividend Income*

Dividend income from investment is recognised when the right to receive dividend payment is established.

(e) *Rental Income*

Rental income is accounted for on the straight-line method over the lease term.

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2019	2018
	RM	RM
Unquoted shares in Malaysia, at cost	36,297,718	36,297,718

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2019 %	2018 %	
MyKRIS Asia Sdn. Bhd.	Malaysia	100	100	Provision of managed network services and other network services.
MyKRIS Net (MSC) Sdn. Bhd.	Malaysia	100	100	Development and provision of web-based application software.

6. PROPERTY AND EQUIPMENT

The Group	At 1.4.2018 RM	Reclassification RM	Additions RM	Disposal/ Write-Off RM	Depreciation Charge RM	At 31.3.2019 RM
2019						
Carrying Amount						
Freehold building	9,481,789	-	-	-	(190,348)	9,291,441
Motor vehicles	944,898	-	131,891	-	(337,299)	739,490
Furniture and fittings	106,069	(65,221)	466,245	(10,394)	(17,130)	479,569
Office equipment	70,474	-	187,660	(183)	(36,375)	221,576
Computer equipment	70,121	-	182,075	(187)	(76,972)	175,037
Broadband equipment	1,448,473	-	2,333,723	-	(1,162,523)	2,619,673
Data centre equipment	44,765	-	112,492	-	(19,317)	137,940
Cabling	127,566	-	4,206	-	(69,536)	62,236
Renovation	9	65,221	853,733	(6,557)	(32,571)	879,835
Wireless equipment	892,809	-	58,426	-	(521,823)	429,412
Software	68,014	-	68,569	-	(38,195)	98,388
Infrastructure	6,500	-	-	-	(6,499)	1
	13,261,487	-	4,399,020	(17,321)	(2,508,588)	15,134,598

6. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At 1.4.2017 RM	Additions RM	Transfer RM	Disposal/ Write-Off RM	Depreciation Charge RM	At 31.3.2018 RM
2018						
Carrying Amount						
Freehold building	91,875	-	9,392,414	-	(2,500)	9,481,789
Motor vehicles	1,280,264	-	-	(1)	(335,365)	944,898
Furniture and fittings	37,178	81,457	-	(4,586)	(7,980)	106,069
Office equipment	64,495	24,355	-	(151)	(18,225)	70,474
Computer equipment	74,757	51,862	-	-	(56,498)	70,121
Broadband equipment	1,056,455	1,091,160	-	-	(699,142)	1,448,473
Data centre equipment	45,018	37,125	-	-	(37,378)	44,765
Cabling	77,383	113,824	-	-	(63,641)	127,566
Renovation	16,263	-	-	-	(16,254)	9
Wireless equipment	1,172,739	296,816	-	(1)	(576,745)	892,809
Software	47,702	46,035	-	-	(25,723)	68,014
Infrastructure	32,500	-	-	-	(26,000)	6,500
Capital work-in-progress	7,532,638	1,859,776	(9,392,414)	-	-	-
	11,529,267	3,602,410	-	(4,739)	(1,865,451)	13,261,487

6. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2019			
Freehold building	9,517,414	(225,973)	9,291,441
Motor vehicles	2,009,810	(1,270,320)	739,490
Furniture and fittings	500,061	(20,492)	479,569
Office equipment	295,627	(74,051)	221,576
Computer equipment	632,857	(457,820)	175,037
Broadband equipment	5,748,435	(3,128,762)	2,619,673
Data centre equipment	318,277	(180,337)	137,940
Cabling	674,110	(611,874)	62,236
Renovation	912,925	(33,090)	879,835
Wireless equipment	4,584,586	(4,155,174)	429,412
Software	218,718	(120,330)	98,388
Infrastructure	130,000	(129,999)	1
	25,542,820	(10,408,222)	15,134,598
2018			
Freehold building	9,517,414	(35,625)	9,481,789
Motor vehicles	1,877,919	(933,021)	944,898
Furniture and fittings	142,226	(36,157)	106,069
Office equipment	108,967	(38,493)	70,474
Computer equipment	451,906	(381,785)	70,121
Broadband equipment	3,414,712	(1,966,239)	1,448,473
Data centre equipment	205,785	(161,020)	44,765
Cabling	669,904	(542,338)	127,566
Renovation	216,300	(216,291)	9
Wireless equipment	4,526,160	(3,633,351)	892,809
Software	150,149	(82,135)	68,014
Infrastructure	130,000	(123,500)	6,500
	21,411,442	(8,149,955)	13,261,487

6. PROPERTY AND EQUIPMENT (CONT'D)

The Company	At 1.4.2018 RM	Addition RM	Depreciation Charge RM	At 31.3.2019 RM
2019				
Carrying Amount				
Furniture and fittings	747	-	(321)	426
Software	-	3,220	(644)	2,576
	747	3,220	(965)	3,002

2019	At 1.4.2017 RM	Depreciation Charge RM	At 31.3.2018 RM
Carrying Amount			
Furniture and fittings	1,067	(320)	747

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2019			
Furniture and fittings	3,200	(2,774)	426
Software	3,220	(644)	2,576
	6,420	(3,418)	3,002
2018			
Furniture and fittings	3,200	(2,453)	747

6. PROPERTY AND EQUIPMENT (CONT'D)

(a) The net book value of assets pledged to a licensed bank for banking facilities granted to the Group is as follows:-

	The Group	
	2019 RM	2018 RM
Freehold building	9,204,566	9,392,414

(b) At the end of the reporting period, the net book value of the property and equipment acquired under hire purchase terms are as follows:-

	The Group	
	2019 RM	2018 RM
Motor vehicles	552,962	789,168

7. INVESTMENT PROPERTIES

	The Group	
	2019 RM	2018 RM
Building, at cost	803,750	803,750
Accumulated depreciation:		
At 1.4.2018/1.4.2017	(36,066)	(27,233)
Depreciation for the financial year	(8,832)	(8,833)
	(44,898)	(36,066)
At 31.3.2019/31.3.2018	758,852	767,684
Fair value	864,000	864,000

The fair values of the investment properties of the Group are based on directors' assessment of the current prices in an active market for the respective properties within their vicinity.

8. DEVELOPMENT EXPENDITURE

	The Group 2019 RM	The Group 2018 RM
At cost	1,847,381	1,847,381
Accumulated amortisation	(1,847,347)	(1,847,347)
Net carrying amount	34	34

9. GOODWILL ON CONSOLIDATION

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group 2019 RM	The Group 2018 RM
MyKRIS Asia Sdn. Bhd.	938,353	938,353
MyKRIS Net (MSC) Sdn. Bhd.	5,890,483	5,890,483
At 31.3.2019/31.3.2018	6,828,836	6,828,836

Goodwill arose from the investments in subsidiaries made in prior years.

Goodwill is stated at cost and reviewed for impairment annually.

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

(a) The key assumptions used for value in use calculations are as follows:-

	Gross margin		Growth rate		Discount rate	
	2019 %	2018 %	2019 %	2018 %	2019 %	2018 %
MyKRIS Asia Sdn. Bhd.	50 - 65	55 - 69	18 - 25	15	8.00	6.92
MyKRIS Net (MSC) Sdn. Bhd.	100*	100*	5	5	8.00	6.92

* - Close to 100%.

9. GOODWILL ON CONSOLIDATION (CONT'D)

(a) The key assumptions used for value in use calculations are as follows (Cont'd) :-

(i) Budgeted gross margin

Average gross margin achieved in the year immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.

(ii) Growth rate

Based on the expected projection of the royalty and licensing and wireless internet access.

(iii) Discount rate (pre-tax)

Reflects specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumption represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

(b) The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to be exceeded its recoverable amount.

10. DEFERRED TAX ASSETS

	The Group	
	2019 RM	2018 RM
At 1.4.2018/1.4.2017	292,000	230,000
Recognised in profit or loss (Note 24)	323,000	62,000
At 31.3.2019/31.3.2018	615,000	292,000

The deferred tax assets are attributable to the following:-

	The Group	
	2019 RM	2018 RM
Deferred tax assets:-		
Excess depreciation over capital allowances	(30,000)	(190,000)
Timing differences on general provision	(138,000)	(102,000)
Contract liabilities	(447,000)	-

11. TRADE RECEIVABLES

	Note	The Group 2019 RM	The Group 2018 RM
Trade receivables	(b)	5,296,168	4,922,360
Advance deposits	(c)	-	(1,752,013)
Allowance for impairment losses		(223,228)	(41,385)
		5,072,940	3,128,962
Allowance for impairment losses:-			
At 1.4.2018/1.4.2017		(41,385)	(53,139)
Addition during the financial year		(202,028)	(41,385)
Writeback during the financial year		20,185	53,139
At 31.3.2019/31.3.2018		(223,228)	(41,385)

(a) The Group's normal trade credit terms range from 30 to 90 (2018 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) Included in the trade receivables is an amount owing by related parties of RM14,184 (2018 : RM13,066). The amount owing is trade in nature and subjected to the trade credit terms ranging from 30 to 90 days.

(c) The advance deposits have been presented as "contract liabilities" (Note 20) during the current financial year pursuant to the adoption of MFRS 15.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2019 RM	The Group 2018 RM	The Company 2019 RM	The Company 2018 RM
Other receivables	58,390	225,746	231	-
Performance bond	-	165,920	-	-
Deposits	496,399	605,427	-	-
Prepayments	1,982,338	783,356	15,295	2,000
	2,537,127	1,780,449	15,526	2,000

(a) Performance bond of the Group is to guarantee satisfactory completion of a project.

(b) Included in the other receivables is an amount owing by a related party of RM6,753 (2018 : RM Nil). The amount owing is non-trade in nature and repayable on demand. The amount owing is expected to be settled in cash.

13. CONTRACT ASSETS

	The Group 2019 RM	2018 RM
Contract assets relating to network services	741,134	-

The contract assets primarily relate to the Group's right to consideration for services rendered but not yet billed as at the reporting date. The amount will be invoiced within 90 days (2018 - 90 days).

14. SHORT-TERM DEPOSIT

The short-term deposit bore effective interest rates ranging from 3.22% to 3.62% (2018 – 3.29% to 3.74%) per annum. The short-term deposit has a maturity period of 1 (2018 - 1) day.

15. SHARE CAPITAL

	The Company			
	2019	2018	2019	2018
	Number Of Shares		RM	RM
ISSUED AND FULLY PAID-UP				
Ordinary shares with no par value				
At 1.4.2018/1.4.2017	260,002,800	130,001,400	13,000,140	13,000,140
Sub-division of shares	-	130,001,400	-	-
Issuance of shares	39,997,200	-	7,999,440	-
At 31.3.2019/31.3.2018	300,000,000	260,002,800	20,999,580	13,000,140

(i) The holders of ordinary shares 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.

(ii) On 24 January 2018, the Company sub-divided its paid-up share capital of RM13,000,140 comprising 130,001,400 ordinary shares into 260,002,800 ordinary shares.

(iii) On 4 October 2018, the Company issued 39,997,200 shares at an issue price RM0.20 each to Sophisticated Investors pursuant to its listing on LEAP Market of Bursa Malaysia.

16. HIRE PURCHASE PAYABLES

	The Group	
	2019	2018
	RM	RM
Minimum hire purchase payments:		
- not later than 1 year	177,185	221,270
- later than 1 year and not later than 5 years	37,480	216,751
	214,665	438,021
Less: Future finance charges	(6,544)	(20,842)
Present value of hire purchase payables	208,121	417,179
Analysed by:		
Current liabilities	172,097	206,971
Non-current liabilities	36,024	210,208
	208,121	417,179

The hire purchase payables at the end of the reporting period bore effective interest rates ranging from 4.35% to 4.86% (2018 - 4.35% to 4.86%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

17. TERM LOAN

	The Group	
	2019	2018
	RM	RM
Current liabilities	498,720	498,720
Non-current liabilities	6,358,544	6,857,264
	6,857,264	7,355,984

17. TERM LOAN (CONT'D)

Details of the repayment terms are as follows:-

No. of Term Loan	Number of Monthly Instalments	Monthly Instalment RM	Date of Commencement of Repayment
1	300	41,560	February 2018

The term loan of the Group bore an effective interest rate of 4.62% (2018 - 4.62%) per annum at the end of the reporting period and is secured by:-

(i) a legal charge over the freehold building of the Group; and

(ii) a joint and several guarantee of the directors of the Group.

18. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2018 - 30 to 90) days.

Included in the trade payables is an amount owing to a related party amounting to RM2,014 (2018 – RM Nil). The amount owing is trade in nature and is subjected to trade credit terms ranging from 30 to 90 days.

19. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Other payables	1,340,982	678,343	118,764	212,269
Accruals	713,405	711,349	52,850	9,700
Deposit received	863,830	1,168,700	-	-
	2,918,217	2,558,392	171,614	221,969

20. CONTRACT LIABILITIES

	The Group	
	2019	2018
	RM	RM
Contract liabilities relating to network services	1,861,778	-

The contract liabilities primarily relate to advance considerations received from customers for network services for which the revenue will be recognised over the remaining billing term of the specific invoice it relates to.

The contract liabilities were presented as advance deposits in trade receivables (Note 11) in the last financial year.

21. AMOUNT OWING TO A SUBSIDIARY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is expected to be settled in cash.

22. REVENUE

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Revenue from Contracts with Customers				
Managed network services	35,440,032	31,766,154	-	-
IT based products and services	3,549,449	3,088,684	-	-
	38,989,481	34,854,838	-	-
Revenue from Other Sources				
Dividend income	-	-	3,000,000	6,910,000
Management fee	-	-	1,680,000	-
	-	-	4,680,000	6,910,000
	38,989,481	34,854,838	4,680,000	6,910,000

23. PROFIT BEFORE TAXATION

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees	65,000	49,700	10,000	7,700
- non-audit fees	30,800	3,800	17,000	-
Depreciation of property and equipment	2,508,588	1,865,451	965	320
Depreciation of investment properties	8,832	8,833	-	-
Directors' fee	91,000	-	91,000	-
Directors' non-fee emoluments:				
- salaries and bonuses and other benefits	381,350	406,000	381,350	-
- defined contribution benefits	43,289	47,077	43,289	-
Interest expense:				
- hire purchase	14,299	23,827	-	-
- term loan	-	1,757	-	-
Impairment losses on trade receivables	202,028	41,385	-	-
Property and equipment written off	17,321	4,738	-	-
Loss on foreign exchange:				
- realised	11,741	68,948	-	-
- unrealised	795	-	-	-
Staff costs:				
- salaries, bonuses and overtime	4,659,573	4,049,598	858,316	-
- defined contribution plan	590,354	515,764	108,527	-
- other benefits	260,394	233,053	9,140	-
Dividend income	-	-	(3,000,000)	(6,910,000)
Gain on disposal of an associate	-	(49)	-	-
Gain on disposal of property and equipment	-	(29,056)	-	-
Interest income	(114,301)	(91,478)	(5,308)	(3,090)
Writeback of impairment losses on receivables	(20,185)	(53,139)	-	-

24. INCOME TAX EXPENSE

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Current tax:				
- for the current financial year	3,064,824	1,471,000	21,480	1,000
- (over)/underprovision in the previous financial year	(7,961)	20,005	(259)	-
	3,056,863	1,491,005	21,221	1,000
Deferred tax assets (Note 10):				
- for the current financial year	(443,000)	(54,000)	-	-
- over/(under) recognition in the previous financial year	120,000	(8,000)	-	-
	(323,000)	(62,000)	-	-
	2,733,863	1,429,005	21,221	1,000

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit before taxation	9,521,251	8,551,820	2,301,742	6,650,721
Tax at the statutory tax rate of 24%	2,285,100	2,052,000	552,000	1,596,000
Tax effects of:-				
Non-deductible expenses	353,168	169,000	189,480	63,400
Non-taxable income	(16,444)	(5,000)	(720,000)	(1,658,400)
Tax-exempt pioneer income	-	(799,000)	-	-
(Over)/Underprovision of current tax in the previous financial year	(7,961)	20,005	(259)	-
Under/(Over) recognition of deferred tax assets in the previous financial year	120,000	(8,000)	-	-
Tax for the financial year	2,733,863	1,429,005	21,221	1,000

25. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing the Group's profit for the year attributable to owners of the parent by the number of weighted average ordinary shares in issue during the year.

	The Group	
	2019	2018
Profit for the year attributable to owners of the Company (RM)	6,787,388	7,122,815
Weighted average number of ordinary shares in issue	279,946,609	260,002,800
Earnings per share – basic (sen)	2.42	2.74

The basic and diluted earnings per share are the same as the Group has no potential dilutive ordinary shares as at the end of the financial year.

26. DIVIDENDS

	The Group/The Company	
	2019	2018
	RM	RM
Declared and paid:-		
First interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2019	3,000,000	-
Final dividend of approximately RM0.0077 per ordinary share in respect of the financial year ended 31 March 2017	-	1,000,000
	3,000,000	1,000,000

27. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property and equipment is as follows:-

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Cost of property and equipment purchased	4,399,020	3,602,410	3,220	-

27. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group 2019	Term loan RM	Hire Purchase RM	Total RM
At 1.4.2018	7,355,984	417,179	7,773,163
<u>Changes in Financing Cash Flows</u>			
Repayment of borrowing principal	(498,720)	(209,058)	(707,778)
Repayment of borrowing interests	-	(14,299)	(14,299)
<u>Non-cash Changes</u>			
Finance charges recognised in profit or loss	-	14,299	14,299
At 31.3.2019	6,857,264	208,121	7,065,385

The Group 2018	Term loan RM	Hire Purchase RM	Total RM
At 1.4.2017	5,579,328	629,718	6,209,046
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	1,859,776	-	1,859,776
Repayment of borrowing principal	(83,120)	(212,539)	(295,659)
Repayment of borrowing interests	(1,757)	(23,827)	(25,584)
<u>Non-cash Changes</u>			
Finance charges recognised in profit or loss	1,757	23,827	25,584
At 31.3.2018	7,355,984	417,179	7,773,163

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Short-term deposit (Note 14)	2,068,762	1,017,609	-	-
Cash and bank balances	19,637,379	12,581,007	7,103,438	3,324
	21,706,141	13,598,616	7,103,438	3,324

28. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Directors of the Group and Company				
Short-term employee benefits:				
- fees	91,000	-	91,000	-
- salaries, bonuses and other benefits	381,350	406,000	381,350	-
Defined contribution benefits	43,289	47,077	43,289	-
Total directors' remuneration (Note 23)	515,639	453,077	515,639	-

29. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, key management personnel and entities within the same group of companies.

29. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Dividend received from a subsidiary:-				
MyKRIS Net (MSC) Sdn. Bhd.	-	-	3,000,000	6,910,000
Management fee from subsidiaries and a related party:-				
MyKris Asia Sdn. Bhd.	-	-	1,512,000	-
MyKRIS Net (MSC) Sdn. Bhd.	-	-	168,000	-
NetAssist (M) Sdn. Bhd.	37,260	9,000	-	-
Payment on behalf from subsidiaries:-				
MyKris Asia Sdn. Bhd.	-	-	621	-
MyKRIS Net (MSC) Sdn. Bhd.	-	-	572,396	-
Payment on behalf of a related party:-				
Hongsa Telecom Company Limited	3,193	3,491	-	-
NetAssist (M) Sdn. Bhd.	5,773	-	-	-
Revenue from IT based products and services to a related party:-				
Hongsa Telecom Company Limited	7,465	23,368	-	-
Purchases from a related party:-				
NetAssist (M) Sdn. Bhd.	22,879	5,500	-	-

30. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balance at the end of the reporting period:-

	The Group	
	2019	2018
	RM	RM
Euro	4.58	-
United States Dollar	4.08	3.86
New Zealand Dollar	2.77	2.79
Singapore Dollar	3.01	2.95

31. OPERATING SEGMENTS

31.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

31.2 MAJOR CUSTOMERS

During the current financial year, there is no customer with revenue equal to or more than 10% of the Group revenue (2018 - One customer with revenue of RM3,782,748).

32. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

32.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily EURO ("EUR"), United States Dollar ("USD"), New Zealand Dollar ("NZD") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	United States Dollar RM	Euro RM	New Zealand Dollar RM	Singapore Dollar RM	Total RM
2019					
Financial assets					
Trade receivables	69,335	-	-	21,923	91,258
Cash and bank balances	8,258	-	476	211,466	220,200
	77,593	-	476	233,389	311,458
Financial liabilities					
Trade payables	74,207	11,851	-	-	86,058
Net financial assets/(liabilities)	3,386	(11,851)	476	233,389	225,400

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	New Zealand Dollar RM	Singapore Dollar RM	Total RM
2018				
Financial assets				
Trade receivables	27,852	-	36,075	63,927
Cash and bank balances	149,755	469	33,773	183,997
	177,607	469	69,848	247,924
Financial liabilities				
Trade payables	305,134	-	-	305,134
Net financial (liabilities)/assets	(127,527)	469	69,848	(57,210)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the profit/loss after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 17 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

The Group	2019 RM	2018 RM
Effects on Profit After Taxation		
Increase of 100 basis points	(52,100)	(55,900)
Decrease of 100 basis points	52,100	55,900
Effects on Other Comprehensive Income		
Increase of 100 basis points	(52,100)	(55,900)
Decrease of 100 basis points	52,100	55,900

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a sole customer which constituted approximately 11% of its total trade receivables as at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2019	2018
	RM	RM
Malaysia	4,973,907	3,030,489
Indonesia	12,888	55,961
Singapore	21,923	38,986
Myanmar	14,184	3,526
United States of America	50,038	-
	5,072,940	3,128,962

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(ii) Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than 120 days, are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 4 month from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
2019			
Current (not past due)	1,488,864	-	1,488,864
1 to 30 days past due	885,830	-	885,830
31 to 60 days past due	1,704,053	-	1,704,053
More than 90 days past due	994,193	-	994,193
	5,072,940	-	5,072,940
Credit impaired:			
-individually impaired	223,228	(223,228)	-
Trade receivables	5,296,168	(223,228)	5,072,940
Contract assets	741,134	-	741,134
	6,037,302	(223,228)	5,814,074

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (cont'd)

In the last financial year, the loss allowance on trade receivables was calculated under MFRS 139. The ageing analysis of trade receivables are as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
2018				
Not past due	1,013,723	-	-	1,013,723
Past due:				
- 0 - 30 days	813,336	-	-	813,336
- 31 - 90 days	1,094,575	-	-	1,094,575
- more than 90 days	248,713	(41,385)	-	207,328
	3,170,347	(41,385)	-	3,128,962

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 11 and 13 to the financial statements respectively.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on the rate at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2019						
Non-derivative Financial Liabilities						
Trade payables	-	443,617	443,617	443,617	-	-
Other payables and accruals	-	2,054,387	2,054,387	2,054,387	-	-
Hire purchase payables	4.35-4.86	208,121	214,665	177,185	37,480	-
Term loan	4.62	6,857,264	10,763,439	498,720	2,493,600	7,771,119
		9,563,389	13,476,108	3,173,909	2,531,080	7,771,119

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on the rate at the end of the reporting period) (Cont'd):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2018						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	653,166	653,166	653,166	-	-
Other payables and accruals	-	1,389,692	1,389,692	1,389,692	-	-
Hire purchase payables	4.35-4.86	417,179	438,021	221,270	216,751	-
Term loan	4.62	7,355,984	12,372,368	498,720	1,994,880	9,878,768
		9,816,021	14,853,247	2,762,848	2,211,631	9,878,768

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on the rate at the end of the reporting period) (Cont'd):-

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2019						
Non-derivative Financial Liabilities						
Other payables and accruals	-	171,614	171,614	171,614	-	-
Amount owing to a subsidiary	-	621	621	621	-	-
		172,235	172,235	172,235	-	-

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Financial Risk Management Policies (Cont'd)

(b) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on the rate at the end of the reporting period) (Cont'd):-

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2018						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	221,969	221,969	221,969	-	-
Amount owing to a subsidiary	-	97,712	97,712	97,712	-	-
		319,681	319,681	319,681	-	-

32. FINANCIAL INSTRUMENTS (CONT'D)

32.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenant and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institution divided by total equity.

The debt-to-equity ratio of the Group as at the end of the reporting period is not presented as the cash and cash equivalents exceeded the total bank borrowings.

32.3 Classification of Financial Instruments

	The Group 2019 RM	The Company 2019 RM
Financial Assets		
Amortised Costs		
Trade receivables	5,072,940	-
Other receivables	58,390	231
Short-term deposit	2,068,762	-
Cash and bank balances	19,637,379	7,103,438
	26,837,471	7,103,669
Financial Liabilities		
Amortised Costs		
Trade payables	443,617	-
Other payables and accruals	2,054,387	171,614
Amount owing to a subsidiary	-	621
Hire purchase payables	208,121	-
Term loan	6,857,264	-
	9,563,389	172,235

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Classification of Financial Instruments (Cont'd)

	The Group 2018 RM	The Company 2018 RM
Financial Assets		
Loans and receivables financial assets		
Trade receivables	3,128,962	-
Other receivables	391,666	-
Amount owing by a subsidiary	-	-
Short-term deposit	1,017,609	-
Cash and bank balances	12,581,007	3,234
	17,119,244	3,234
Financial Liabilities		
Other financial liabilities		
Trade payables	653,166	-
Other payables and accruals	1,389,692	221,969
Amount owing to a subsidiary	-	97,712
Hire purchase payables	417,179	-
Term loan	7,355,984	-
	9,816,021	319,681

32. FINANCIAL INSTRUMENTS (CONT'D)

32.4 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
The Group	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
2019					
Financial Assets					
Short-term deposits	-	2,068,762	-	2,068,762	2,068,762
2018					
Financial Assets					
Short-term deposits	-	1,017,609	-	1,017,609	1,017,609

	Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
The Group	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
2019					
Financial Liabilities					
Hire purchase payables	-	208,121	-	208,121	208,121
Term loan	-	6,857,264	-	6,857,264	6,857,264
2018					
Financial Liabilities					
Hire purchase payables	-	417,179	-	417,179	417,179
Term loan	-	7,355,984	-	7,355,984	7,355,984

32. FINANCIAL INSTRUMENTS (CONT'D)

32.4 Fair Value Information (Cont'd)

Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, above have been determined using the following basis:-

(i) The fair value of the Group's term loan that carry floating interest rate approximated its carrying amount as it is repriced to market interest rate on or near the reporting date.

(ii) The fair values of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	2019 %	2018 %
Hire purchase payables	4.35 - 4.86	4.35 - 4.86