MYKRIS INTERNATIONAL BERHAD

(Incorporated in Malaysia)
Registration No: 200801009751 (811039 - T)

FINANCIAL REPORT
for the financial year ended 31 March 2021

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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 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. 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	9,009,195	5,860,917
Attributable to:-		
Owners of the Company	9,009,195	5,860,917

DIVIDENDS

Dividends paid or declared by the Company since 31 March 2020 are as follows:-

	RM
Ordinary Share	
In respect of the financial year ended 31 March 2020	
A second interim dividend of RM0.01 per ordinary share, paid on 22 July 2020	3,000,000
In respect of the financial year ended 31 March 2021	
A first interim dividend of RM0.012 per ordinary share, paid on 18 December 2020	3,600,000
	6,600,000

On 31 May 2021, the Company declared a second interim dividend of RM0.01 per ordinary share amounting to RM3,000,000 in respect of the current financial year, paid on 22 June 2021. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2022.

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) there were no changes in the issued and paid-up share capital 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 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

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

Chew Choo Soon
Chang Wai Hoong

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 1.4.2020	Bought	Sold	At 31.3.2021
The Company				
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 corporations) 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 34(b) 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 33 to the financial statements.

INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM5,000,000 and RM11,087 respectively.

SUBSIDIARIES

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENT

The significant event during the financial year and subsequent year is disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 28 to the financial statements.

Signed in accordance with a resolution of the directors dated 21 July 2021.

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 87 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 2021 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 July 2021.

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 87 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 July 2021

Chew Choo Soon

Before me

Datin Hajah Raihela Wanchik (W-275)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYKRIS INTERNATIONAL BERHAD

(Incorporated in Malaysia)
Registration No: 200801009751 (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 2021 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 87.

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 2021, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

We have determined the matter disclosed below to be the key audit matters to be communicated in our report.

<table>
<tr><td colspan="2">Goodwill Impairment
Refer to Notes 4.1(a) and 11 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 2021 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 11 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>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MYKRIS INTERNATIONAL BERHAD (CONT'D)
(Incorporated in Malaysia)
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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's 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYKRIS INTERNATIONAL BERHAD (CONT'D)

(Incorporated in Malaysia)
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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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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	**Kaw Hoong Siang**
201906000005 (LLP0018817-LCA) & AF 1018	03379/06/2022 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur

21 July 2021

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2021

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	36,297,718	36,297,718
Investments in an associate	6	545,791	-	-	-
Property and equipment	7	12,051,059	13,680,130	1,288	2,038
Investment properties	8	498,751	750,019	-	-
Right-of-use assets	9	2,269,347	2,220,156	-	-
Other investment	10	-	33,400	-	-
Goodwill on consolidation	11	6,828,836	6,828,836	-	-
Development expenditure	12	-	34	-	-
Deferred tax assets	13	615,000	615,000	-	-
		22,808,784	24,127,575	36,299,006	36,299,756
CURRENT ASSETS					
Trade receivables	14	5,528,583	5,676,481	-	-
Other receivables, deposits and prepayments	15	2,253,887	3,572,418	11,150	3,776
Contract assets	16	103,593	52,706	-	-
Amount owing by an associate	17	38,631	-	-	-
Short-term investments	18	13,972,000	1,808,288	3,656,353	512,888
Current tax assets		44,849	-	38,687	-
Fixed deposit with a licensed bank	19	1,234,895	1,200,000	-	-
Cash and bank balances		13,434,676	20,971,508	692,239	4,614,608
		36,611,114	33,281,401	4,398,429	5,131,272
TOTAL ASSETS		59,419,898	57,408,976	40,697,435	41,431,028

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2021 (CONT'D)

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	20	20,999,580	20,999,580	20,999,580	20,999,580
Retained profits		25,837,412	23,428,217	19,552,100	20,291,183
TOTAL EQUITY		46,836,992	44,427,797	40,551,680	41,290,763
NON-CURRENT LIABILITIES					
Lease liabilities	21	746,721	976,407	-	-
Term loan	22	5,538,045	5,956,497	-	-
		6,284,766	6,932,904	-	-
CURRENT LIABILITIES					
Trade payables	23	857,167	206,681	-	-
Contract liabilities	16	579,936	1,043,553	-	-
Other payables and accruals	24	2,750,214	2,443,535	145,755	140,265
Amount owing to a related party	25	151,314	68,597	-	-
Lease liabilities	21	1,221,226	1,018,257	-	-
Term loan	22	421,056	431,234	-	-
Current tax liabilities		317,227	836,418	-	-
		6,298,140	6,048,275	145,755	140,265
TOTAL LIABILITIES		12,582,906	12,981,179	145,755	140,265
TOTAL EQUITY AND LIABILITIES		59,419,898	57,408,976	40,697,435	41,431,028

MYKRIS INTERNATIONAL BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	RM	RM	RM	RM
REVENUE	26	41,793,617	44,684,374	7,824,000	6,180,000
COST OF SALES		(18,760,916)	(17,257,203)	-	(697)
GROSS PROFIT		23,032,701	27,427,171	7,824,000	6,179,303
OTHER INCOME		457,012	331,011	49,967	31,605
		23,489,713	27,758,182	7,873,967	6,210,908
ADMINISTRATIVE EXPENSES		(7,814,991)	(9,117,911)	(2,029,824)	(2,138,577)
SELLING AND DISTRIBUTION EXPENSES		(1,545,046)	(2,152,003)	(4,800)	(18,077)
OTHER OPERATING EXPENSES		(1,526,639)	(2,544,037)	(1,065)	(1,039)
FINANCE COSTS		(21,928)	(47,492)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	27	(359,045)	(19,367)	-	-
SHARE OF LOSS OF EQUITY ACCOUNTED ASSOCIATE		(61,628)	-	-	-
PROFIT BEFORE TAXATION	28	12,160,436	13,877,372	5,838,278	4,053,215
INCOME TAX EXPENSE	29	(3,151,241)	(3,411,548)	22,639	(26,221)
PROFIT AFTER TAXATION		9,009,195	10,465,824	5,860,917	4,026,994
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		9,009,195	10,465,824	5,860,917	4,026,994

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	RM	RM	RM	RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		9,009,195	10,465,824	5,860,917	4,026,994
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		9,009,195	10,465,824	5,860,917	4,026,994
EARNINGS PER SHARE (SEN)	30				
Basic		3.00	3.49		
Diluted		3.00	3.49		

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The Group	Note	Share Capital RM	Retained Profits RM	Total Equity RM
At 1.4.2019		20,999,580	18,962,393	39,961,973
Profit after taxation/Total comprehensive income for the financial year		-	10,465,824	10,465,824
Contribution by and distributions to owners of the Company:				
- Dividends	31	-	(6,000,000)	(6,000,000)
At 31.3.2020/1.4.2020		20,999,580	23,428,217	44,427,797
Profit after taxation/Total comprehensive income for the financial year		-	9,009,195	9,009,195
Contribution by and distributions to owners of the Company:				
- Dividends	31	-	(6,600,000)	(6,600,000)
At 31.3.2021		20,999,580	25,837,412	46,836,992

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)

	Note	Share Capital RM	Retained Profits RM	Total Equity RM
The Company				
At 1.4.2019		20,999,580	22,264,189	43,263,769
Profit after taxation/Total comprehensive income for the financial year		-	4,026,994	4,026,994
Contribution by and distributions to owners of the Company:				
- Dividends	31	-	(6,000,000)	(6,000,000)
At 31.3.2020/1.4.2020		20,999,580	20,291,183	41,290,763
Profit after taxation/Total comprehensive income for the financial year		-	5,860,917	5,860,917
Contribution by and distributions to owners of the Company:				
- Dividends	31	-	(6,600,000)	(6,600,000)
At 31.3.2021		20,999,580	19,552,100	40,551,680

MYKRIS INTERNATIONAL BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	The Group 2021 RM	The Group 2020 RM	The Company 2021 RM	The Company 2020 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		12,160,436	13,877,372	5,838,278	4,053,215
Adjustments for:-					
Amortisation of intangible assets		34	-	-	-
Depreciation of property and equipment		2,222,119	2,569,961	750	964
Depreciation of investment properties		8,841	8,833	-	-
Depreciation of right-of-use assets		1,710,224	1,623,241	-	-
Impairment loss of:					
- investment in an associate		233,295	-	-	-
- investment properties		242,427	-	-	-
- other investment		33,400	-	-	-
- trade receivables		333,885	43,158	-	-
Interest expense on lease liabilities		149,207	157,112	-	-
Lease modification		21,984	-	-	-
Property and equipment written off		-	4,298	-	-
Share of net losses of equity accounted associate		61,628	-	-	-
Unrealised gain on foreign exchange		(1,447)	(1,911)	-	-
Dividend income		-	-	(6,000,000)	(4,500,000)
Fair value gain on financial assets measured at fair value through profit or loss		(19,714)	(2,997)	-	-
Gain on disposal of property and equipment		-	(39,999)	-	-
Interest income		(233,100)	(149,112)	(42,594)	(28,609)
Reversal of impairment losses on receivables		(8,240)	(23,791)	-	-
Operating profit/(loss) before working capital changes		16,914,979	18,066,165	(203,566)	(474,430)
Decrease in contract assets and liabilities		(514,504)	(129,797)	-	-
Decrease/(Increase) in trade and other receivables		1,142,231	(1,653,410)	(7,374)	11,750
Increase/(Decrease) in trade and other payables		957,165	(714,496)	5,490	(31,349)
Increase in amount owing by/(to) a related party		82,717	68,597	-	-
CASH FROM/(FOR) OPERATIONS		18,582,588	15,637,059	(205,450)	(494,029)
Interest paid		(149,207)	(157,112)	-	-
Income tax paid		(3,715,281)	(3,749,649)	(16,048)	(9,901)
Income tax refunded		-	30,827	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		14,718,100	11,761,125	(221,498)	(503,930)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)

		The Group		The Company	
		2021	**2020**	**2021**	**2020**
	Note	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Addition to right-of-use assets		(308,427)	-	-	-
Advances to an associate		(38,631)	-	-	-
Dividend received		-	-	6,000,000	4,500,000
Interest income received		233,100	149,112	42,594	28,609
Investment in associate		(840,714)	-	-	-
Proceeds from disposal of property and equipment		-	40,000	-	-
Purchase of property and equipment	32(a)	(593,048)	(1,672,755)	-	-
Purchase of other investment		-	(33,400)	-	-
Purchase of short-term investments		19,714	2,997	-	-
Placement of fixed deposit pledged with a licensed bank		(34,895)	(1,200,000)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(1,562,901)	(2,714,046)	6,042,594	4,528,609
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid		(6,600,000)	(6,000,000)	(6,600,000)	(6,000,000)
Repayment of lease liabilities	32(b)	(1,499,689)	(1,503,891)	-	-
Repayment to subsidiaries		-	-	-	(621)
Repayment of term loan	32(b)	(428,630)	(469,533)	-	-
NET CASH FOR FINANCING ACTIVITIES		(8,528,319)	(7,973,424)	(6,600,000)	(6,000,621)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,626,880	1,073,655	(778,904)	(1,975,942)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		22,779,796	21,706,141	5,127,496	7,103,438
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	32(d)	27,406,676	22,779,796	4,348,592	5,127,496

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	:	3rd Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor.
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 July 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and the provision of management services. 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.

3.1 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)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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.

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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4, MFRS 9, MFRS 139 and MFRS 7 : Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

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) 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 11 to the financial statements.

(b) Impairment of Property and Equipment, Investment Properties and Right-of-use Assets

The Group determines whether an item of its property and equipment, investment property, and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property and equipment, investment property, and right-of-use assets as at the reporting date are disclosed in Notes 7, 8 and 9 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) 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 14 and 16 to the financial statements.

(d) 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 amounts of current tax assets and liabilities of the Group as at the reporting date are RM44,849 and RM317,227 (2020 - RM NIL and RM836,418) respectively.

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 other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS ON 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS ON CONSOLIDATION (CONT'D)

(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 of the initial recognition for subsequent accounting under MFRS 9 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 Currency Transactions 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.

4.5 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

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 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 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.

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).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(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 fair value changes do not include interest or dividend income.

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

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(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 (excluding interest expense) 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).

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition (Cont'd)

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.

4.6 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 includes 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 INVESTMENTS IN ASSOCIATE

An associate is an entity in which the Group and the Company has long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income for the associate is included in the statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition related profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENT IN ASSOCIATE (CONT'D)

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.8 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%

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 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.

4.9 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-of-use asset held 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 which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

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 89 years to 94 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)

4.10 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 is not recognised as assets in the subsequent period.

The development expenditure is amortised on a 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.

4.11 LEASES

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.12 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.

4.13 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 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).

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 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 revalued 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.

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.

4.15 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)

4.16 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses 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 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 is 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)

4.17 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.

4.18 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.

4.19 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.

4.20 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.

4.21 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)

4.22 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.

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

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 to date.

(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 recognised 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 recognises revenue on the straight-line method over the period of service.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

(c) Rental Income

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

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2021	**2020**
	RM	RM
Unquoted shares, 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 2021 %	2020 %	Principal Activities
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. INVESTMENT IN AN ASSOCIATE

	The Group	
	2021	**2020**
	RM	RM
Unquoted shares, at cost	840,714	-
Share of post-acquisition reserves	(61,628)	-
	779,086	-
Accumulated impairment losses	(233,295)	-
	545,791	-

The details of the associate is as follows:-

Name of associate	Principal Place of Business/ Country of Incorporation	Percentage of Ownership 2021 %	2020 %	Principal Activities
Hongsa Telecom Company Limited	Myanmar	40	-	Telecommunication services.

(a) During the current financial year, Mykris Asia Sdn. Bhd. has acquired 40% equity interests in Hongsa Telecom Company Limited.

The statutory financial year end of Hongsa Telecom Company Limited is 30 September and has yet to coincide with the Group. Mykris' share of the associate's post acquisition results are based on management account for the 12-month ended 31 March 2021.

(b) Summarised financial information has not been presented as the associate is not material to the Group.

7. PROPERTY AND EQUIPMENT

The Group	At 1.4.2020 RM	Additions RM	Depreciation Charges RM	At 31.3.2021 RM
2021				
Carrying Amount				
Freehold building	9,101,093	-	(190,348)	8,910,745
Motor vehicles	120,702	-	(42,367)	78,335
Furniture and fittings	453,571	-	(52,438)	401,133
Office equipment	201,365	3,170	(63,906)	140,629
Computer equipment	130,810	22,741	(86,947)	66,604
Broadband equipment	2,190,161	540,437	(1,375,645)	1,354,953
Data centre equipment	200,727	-	(53,035)	147,692
Cabling	34,739	-	(26,569)	8,170
Renovation	823,954	-	(95,190)	728,764
Wireless equipment	354,822	26,700	(209,981)	171,541
Software	68,185	-	(25,693)	42,492
Infrastructure	1	-	-	1
	13,680,130	593,048	(2,222,119)	12,051,059

The Group	At 1.4.2019 RM	Additions RM	Disposal/ Write-Off RM	Depreciation Charges RM	At 31.3.2020 RM
2020					
Carrying Amount					
Freehold building	9,291,441	-	-	(190,348)	9,101,093
Motor vehicles	186,527	-	(1)	(65,824)	120,702
Furniture and fittings	479,569	26,506	-	(52,504)	453,571
Office equipment	221,576	39,641	-	(59,852)	201,365
Computer equipment	175,037	44,420	-	(88,647)	130,810
Broadband equipment	2,619,673	1,056,286	(4,298)	(1,481,500)	2,190,161
Data centre equipment	137,940	110,521	-	(47,734)	200,727
Cabling	62,236	19,281	-	(46,778)	34,739
Renovation	879,835	39,002	-	(94,883)	823,954
Wireless equipment	429,412	337,098	-	(411,688)	354,822
Software	98,388	-	-	(30,203)	68,185
Infrastructure	1	-	-	-	1
	14,581,635	1,672,755	(4,299)	(2,569,961)	13,680,130

7. PROPERTY AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Freehold building	9,517,414	(606,669)	8,910,745
Motor vehicles	627,693	(549,358)	78,335
Furniture and fittings	526,567	(125,434)	401,133
Office equipment	338,438	(197,809)	140,629
Computer equipment	534,122	(467,518)	66,604
Broadband equipment	7,340,860	(5,985,907)	1,354,953
Data centre equipment	428,798	(281,106)	147,692
Cabling	693,391	(685,221)	8,170
Renovation	951,927	(223,163)	728,764
Wireless equipment	4,948,384	(4,776,843)	171,541
Software	384,614	(342,122)	42,492
Infrastructure	130,000	(129,999)	1
	26,422,208	(14,371,149)	12,051,059
2020			
Freehold building	9,517,414	(416,321)	9,101,093
Motor vehicles	627,693	(506,991)	120,702
Furniture and fittings	526,567	(72,996)	453,571
Office equipment	335,268	(133,903)	201,365
Computer equipment	511,381	(380,571)	130,810
Broadband equipment	6,800,423	(4,610,262)	2,190,161
Data centre equipment	428,798	(228,071)	200,727
Cabling	693,391	(658,652)	34,739
Renovation	951,927	(127,973)	823,954
Wireless equipment	4,921,684	(4,566,862)	354,822
Software	384,614	(316,429)	68,185
Infrastructure	130,000	(129,999)	1
	25,829,160	(12,149,030)	13,680,130

7. PROPERTY AND EQUIPMENT (CONT'D)

The Company	At 1.4.2020 RM	Depreciation Charges RM	At 31.3.2021 RM
2021			
Carrying Amount			
Furniture and fittings	106	(106)	-
Software	1,932	(644)	1,288
	2,038	(750)	1,288

The Company	At 1.4.2019 RM	Depreciation Charges RM	At 31.3.2020 RM
2020			
Carrying Amount			
Furniture and fittings	426	(320)	106
Software	2,576	(644)	1,932
	3,002	(964)	2,038

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Furniture and fittings	3,200	(3,200)	-
Software	3,220	(1,932)	1,288
	6,420	(5,132)	1,288
2020			
Furniture and fittings	3,200	(3,094)	106
Software	3,220	(1,288)	1,932
	6,420	(4,382)	2,038

The freehold buildings of the Group have been pledged to licensed bank as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.

8. INVESTMENT PROPERTIES

	The Group	
	2021	**2020**
	RM	RM
Building, at cost	803,750	803,750
Accumulated depreciation:-		
At 1.4.2020/1.4.2019	(53,731)	(44,898)
Depreciation for the financial year	(8,841)	(8,833)
At 31.3.2021/31.3.2020	(62,572)	(53,731)
Allowance for impairment loss:-		
At 1.4.2020/1.4.2019	-	-
Impairment loss for the financial year	(242,427)	-
At 31.3.2021/31.3.2020	(242,427)	-
	498,751	750,019
Fair value	500,000	810,000

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.

9. RIGHT-OF-USE ASSETS

The Group	At 1.4.2020 RM	Additions RM	Derecognition Due to Lease Modification RM	Depreciation Charges RM	At 31.3.2021 RM
2021					
Carrying amount					
Office building	206,788	-	-	(142,635)	64,153
Motor vehicle	319,075	708,427	-	(300,668)	726,834
Equipment	78,318	121,322	(3,280)	(124,705)	71,655
Data centre space	1,615,975	963,426	(30,480)	(1,142,216)	1,406,705
	2,220,156	1,793,175	(33,760)	(1,710,224)	2,269,347

The Group	At 1.4.2019 RM	Depreciation Charges RM	At 31.3.2020 RM
2020			
Carrying amount			
Office building	358,974	(152,186)	206,788
Motor vehicle	552,963	(233,888)	319,075
Equipment	208,740	(130,422)	78,318
Data centre space	2,722,720	(1,106,745)	1,615,975
	3,843,397	(1,623,241)	2,220,156

	The Group 2021 RM	The Group 2020 RM
Analysed by:-		
Cost	6,230,874	4,471,459
Accumulated depreciation	(3,961,527)	(2,251,303)
	2,269,347	2,220,156

9. RIGHT-OF-USE ASSETS (CONT'D)

(a) The Group leases office building, motor vehicles, equipment and data centre space of which the leasing activities are summarised below:-

(i)	Office building	The Group has leased a number of office buildings that run between 1 year and 5 years, with an option to renew the lease after that date.
(ii)	Motor vehicle	The Group has leased its motor vehicle under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.
(iii)	Equipment	The Group has leased several equipment for the use of providing internet services that run for a year.
(iv)	Data centre space	The Group has leased storage spaces in order to store equipment to ease the process of providing internet services. These spaces run between 1 year and 5 years, with an option to renew the lease after that date.

10. OTHER INVESTMENT

	The Group	
	2021	**2020**
	RM	RM
Unquoted shares, at fair value	33,400	33,400
Allowance for impairment losses	(33,400)	-
	-	33,400
Allowance for impairment losses:-		
At 1.4.2020/1.4.2019	-	-
Addition during the financial year	(33,400)	-
At 31.3.2021/31.3.2020	(33,400)	-

(a) In previous financial year, the Group acquired 18% equity interest in MyEsport Sdn. Bhd. for a total cash consideration of RM33,400.

10. OTHER INVESTMENT (CONT'D)

(b) The Group has designated the equity investments at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes.

The fair value of the investment is summarised below:-

	The Group	
	2021	**2020**
	RM	RM
Unquoted shares of MyEsports Sdn Bhd	-	33,400

(c) A total impairment loss of RM33,400 representing the write-down of the investment to its recoverable amount due to non-performance, was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income.

(d) There was no disposal of equity investment carried at fair value through other comprehensive income during the financial year.

11. GOODWILL ON CONSOLIDATION

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

	The Group	
	2021	**2020**
	RM	RM
Mykris Asia Sdn. Bhd.	938,353	938,353
Mykris Net (MSC) Sdn. Bhd.	5,890,483	5,890,483
At 31.3.2021/31.3.2020	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.

11. GOODWILL ON CONSOLIDATION (CONT'D)

(a) The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross margin		Growth rate		Discount rate	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
Mykris Asia Sdn. Bhd.	50	50	6	6	7.11	9.20
Mykris Net (MSC) Sdn. Bhd.	100*	100*	5	3.5	7.11	9.20

* - Close to 100%.

(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.

12. DEVELOPMENT EXPENDITURE

	The Group	
	2021	**2020**
	RM	RM
At cost	1,847,381	1,847,381
Accumulated amortisation	(1,847,381)	(1,847,347)
Net carrying amount	-	34

13. DEFERRED TAX ASSETS

	The Group	
	2021	**2020**
	RM	RM
At 31.3.2021/31.3.2020	615,000	615,000

The deferred tax assets recognised at the end of the reporting period are as follows:-

	The Group	
	2021	**2020**
	RM	RM
Deferred tax assets:-		
Provision	138,000	138,000
Excess depreciation over capital allowances	30,000	30,000
Contract liabilities	447,000	447,000
	615,000	615,000

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2021	**2020**
	RM	RM
Provision	2,041,000	1,529,000
Unabsorbed capital allowances	-	1,000
Unabsorbed business loss	108,000	119,000
Excess depreciation over capital allowances	440,000	707,000
	2,589,000	2,356,000

14. TRADE RECEIVABLES

	The Group	
	2021	**2020**
	RM	RM
Trade receivables	6,096,823	5,919,076
Allowance for impairment losses	(568,240)	(242,595)
	5,528,583	5,676,481
Allowance for impairment losses:-		
At 1.4.2020/1.4.2019	(242,595)	(223,228)
Addition during the financial year	(333,885)	(43,158)
Writeback during the financial year	8,240	23,791
At 31.3.2021/31.3.2020	(568,240)	(242,595)

The Group's normal trade credit terms range from 30 to 90 (2020 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Other receivables	112,399	788,340	231	231
Deposits	681,180	610,432	300	300
Prepayments	1,460,308	2,173,646	10,619	3,245
	2,253,887	3,572,418	11,150	3,776

16. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2021	**2020**
	RM	RM
Contract Assets		
Contract assets relating to network services	103,593	52,706
Contract Liabilities		
Contract liabilities relating to network services	(579,936)	(1,043,553)

(a) 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 (2020 - 90) days.

(b) 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.

(c) The changes to contract asset and contract liability balances during the financial year are summarised below:-

	The Group	
	2021	**2020**
	RM	RM
At 1.4.2020/1.4.2019	(990,847)	(1,120,644)
Revenue recognised in profit or loss during the financial year	1,043,553	1,914,484
Billings to customers during the financial year	(529,049)	(1,784,687)
At 31.3.2021/31.3.2020	(476,343)	(990,847)
Represented by:-		
Contract assets	103,593	52,706
Contract liabilities	(579,936)	(1,043,553)
	(476,343)	(990,847)

(d) The aggregate amount of the transaction price allocated to the performance obligations that are partially unsatisfied at the end of the reporting period is RM1,126,469 (2020 - RM1,536,377). The Group expects to recognise this amount over the remaining contract duration up to 12 months (2020 - 24 months).

17. AMOUNT OWING BY AN ASSOCIATE

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.

18. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Money market funds, at fair value	13,972,000	1,808,288	3,656,353	512,888

The money market funds represent investments in highly liquid market instruments and deposits with financial institutions in Malaysia which are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

19. FIXED DEPOSIT WITH A LICENSED BANK

(a) The fixed deposit with a licensed bank of the Group at the end of reporting period bore an effective interest rate of 1.90% (2020 - 2.90%) per annum. The fixed deposit has a maturity periods of 12 months.

(b) Included in the deposit with a licensed bank of the Group at the end of the reporting period was an amount of RM1,234,895 (2020 - RM1,200,000) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

20. SHARE CAPITAL

	The Group/The Company			
	2021	**2020**	**2021**	**2020**
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary shares	300,000,000	300,000,000	20,999,580	20,999,580

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. The ordinary shares have no par value.

21. LEASE LIABILITIES

	The Group	
	2021	**2020**
	RM	RM
At 1.4.2020/1.4.2019	1,994,664	3,498,555
Additions	1,484,748	-
Interest expense recognised in profit or loss (Note 28)	149,207	157,112
Derecognition due to lease modification	(11,776)	-
Repayment of principal	(1,499,689)	(1,503,891)
Repayment of interest expense	(149,207)	(157,112)
At 31.3.2021/31.3.2020	1,967,947	1,994,664
Analysed by:-		
Current liabilities	1,221,226	1,018,257
Non-current liabilities	746,721	976,407
	1,967,947	1,994,664

Certain lease liabilities of the Group are secured by the Group's motor vehicles under the hire purchase arrangements, with lease terms ranging from 1 to 3 (2020 - 1 to 2) years and bear effective interest rates ranging from 4.23% to 4.62% (2020 - 4.62% to 4.86%).

22. TERM LOAN

	The Group	
	2021	**2020**
	RM	RM
Current liabilities	421,056	431,234
Non-current liabilities	5,538,045	5,956,497
	5,959,101	6,387,731

22. 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	35,088 - 38,317	February 2018

The term loan of the Group bore an effective interest rate of 4.00% (2020 - 4.00%) 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.

23. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2020 - 30 to 90) days.

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Other payables	1,196,613	1,072,867	116,745	118,015
Accruals	687,756	441,846	29,010	22,250
Deposit received	865,845	928,822	-	-
	2,750,214	2,443,535	145,755	140,265

25. AMOUNT OWING TO A RELATED PARTY

The amount owing is trade in nature and the normal trade credit term granted to the Group is 30 (2020 - 30) days.

26. REVENUE

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Revenue recognised at a point of time				
IT based products and services	2,394,047	715,040	-	-
Revenue recognised over time				
Managed network services	39,399,570	43,969,334	-	-
	41,793,617	44,684,374	-	-
Revenue from other sources				
Dividend income	-	-	6,000,000	4,500,000
Management fee	-	-	1,824,000	1,680,000
	-	-	7,824,000	6,180,000
	41,793,617	44,684,374	7,824,000	6,180,000

27. NET IMPAIRMENT LOSSES OF FINANCIAL ASSETS

	The Group	
	2021	**2020**
	RM	RM
Impairment losses of:		
- other investment (Note 10)	33,400	-
- trade receivables (Note 14)	333,885	43,158
Reversal of impairment losses:		
- trade receivables (Note 14)	(8,240)	(23,791)
	359,045	19,367

28. PROFIT BEFORE TAXATION

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees	75,000	73,900	10,000	10,000
- non-audit fees	3,800	8,800	-	-
Amortisation of intangible assets	34	-	-	-
Depreciation of:				
- property and equipment	2,222,119	2,569,961	750	964
- investment properties	8,841	8,833	-	-
- right-of-use assets	1,710,224	1,623,241	-	-
Directors' fee	126,000	126,000	126,000	126,000
Directors' non-fee emoluments:				
- salaries, bonuses and other benefits	457,501	431,000	457,501	431,000
- defined contribution benefits	172,246	108,887	172,246	108,887
Impairment loss of:				
- investment in associate	233,295	-	-	-
- investment properties	242,427	-	-	-
Interest expense on lease liabilities	149,207	157,112	-	-
Property and equipment written off	-	4,298	-	-
Staff costs:				
- salaries, bonus and allowances	4,392,479	4,895,821	819,895	914,640
- defined contribution plan	547,431	599,442	98,386	114,738
- other benefits	211,652	320,718	48,126	21,079
Dividend income	-	-	(6,000,000)	(4,500,000)
Fair value gain on financial assets measured at fair value through profit or loss	(19,714)	(2,997)	-	-
(Gain)/Loss on foreign exchange:				
- realised	36	(5,472)	-	75
- unrealised	(1,447)	(1,911)	-	-
Gain on disposal of property and equipment	-	(39,999)	-	-
Interest income:				
- fixed deposit with a licensed bank	(34,895)	-	-	-
- short-term investments	(143,995)	(38,658)	(36,091)	(9,891)
- others	(54,210)	(110,454)	(6,503)	(18,718)
Rental income from investment properties	(79,550)	(20,806)	-	-

29. INCOME TAX EXPENSE

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Current tax:				
- for the current financial year	3,176,750	3,494,179	5,689	28,328
- Overprovision in the previous financial year	(25,509)	(82,631)	(28,328)	(2,107)
	3,151,241	3,411,548	(22,639)	26,221

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	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Profit before taxation	12,160,436	13,877,372	5,838,278	4,053,215
Tax at the statutory tax rate of 24%	2,919,000	3,331,000	1,401,000	973,000
Tax effects of:-				
Non-deductible expenses	213,112	290,179	44,689	69,328
Non-taxable income	(12,000)	(463,000)	(1,440,000)	(1,080,000)
Deferred tax assets not recognised during the financial year	60,000	-	-	-
Utilisation of deferred tax assets previously not recognised	(3,362)	336,000	-	66,000
Overprovision of current tax in the previous financial year	(25,509)	(82,631)	(28,328)	(2,107)
Tax for the financial year	3,151,241	3,411,548	(22,639)	26,221

30. EARNINGS PER SHARE

	The Group	
	2021	**2020**
Profit for the year attributable to owners of the Company (RM)	9,009,195	10,465,824
Weighted average number of ordinary shares in issue	300,000,000	300,000,000
Basic earnings per share (Sen)	3.00	3.49

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

31. DIVIDENDS

	The Group/The Company	
	2021	**2020**
	RM	RM
Declared and paid:-		
In respect of financial year ended 31 March 2019:		
- Special interim dividend of RM0.01 per ordinary share	-	3,000,000
In respect of financial year ended 31 March 2020:		
- First interim dividend of RM0.01 per ordinary share	-	3,000,000
- Second interim dividend of RM0.01 per ordinary share	3,000,000	-
In respect of financial year ended 31 March 2021:		
- First interim dividend of RM0.012 per ordinary share	3,600,000	-
	6,600,000	6,000,000

On 31 May 2021, the Company declared a second interim dividend of RM0.01 per ordinary share amounting to RM3,000,000 in respect of the current financial year, paid on 22 June 2021. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2022.

32. CASH FLOW INFORMATION

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

	The Group 2021 RM	The Group 2020 RM
Property and equipment		
Cost of property and equipment purchased	593,048	1,672,755
Right-of-use assets		
Cost of right-of-use assets acquired (Note 9)	1,793,175	-
Less: Addition of new lease liabilities (Note 21)	(1,484,748)	-
Cash disbursed for purchase of right-of-use assets	308,427	-

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

The Group	Term loan RM	Lease Liabilities RM	Total RM
2021			
At 1.4.2020	6,387,731	1,994,664	8,382,395
Changes in Financing Cash Flows			
Repayment of principal	(428,630)	(1,499,689)	(1,928,319)
Repayment of interests	-	(149,207)	(149,207)
Non-cash Changes			
Derecognition due to lease modification	-	(11,776)	(11,776)
Interest expense recognised in profit or loss	-	149,207	149,207
Acquisition on new leases	-	1,484,748	1,484,748
At 31.3.2021	5,959,101	1,967,947	7,927,048

32. CASH FLOW INFORMATION (CONT'D)

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

The Group	Term loan RM	Lease Liabilities RM	Total RM
2020			
At 1.4.2019	6,857,264	3,498,555	10,355,819
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(469,533)	(1,503,891)	(1,973,424)
Repayment of interests	-	(157,112)	(157,112)
<u>Non-cash Changes</u>			
Interest expense recognised in profit or loss	-	157,112	157,112
At 31.3.2020	6,387,731	1,994,664	8,382,395

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group 2021 RM	The Group 2020 RM
Interest paid on lease liabilities	(149,207)	(157,112)
Payment of lease liabilities	(1,499,689)	(1,503,891)
	(1,648,896)	(1,661,003)

32. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Fixed deposit with a licensed bank	1,234,895	1,200,000	-	-
Cash and bank balances	13,434,676	20,971,508	692,239	4,614,608
Short-term investments	13,972,000	1,808,288	3,656,353	512,888
	28,641,571	23,979,796	4,348,592	5,127,496
Less: Fixed deposit pledged to a licensed bank	(1,234,895)	(1,200,000)	-	-
	27,406,676	22,779,796	4,348,592	5,127,496

33. 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	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Directors of the Group and the Company				
Short-term employee benefits:				
- fees	126,000	126,000	126,000	126,000
- salaries, bonuses and other benefits	457,501	431,000	457,501	431,000
Defined contribution benefits	172,246	108,887	172,246	108,887
Total directors' remuneration (Note 28)	755,747	665,887	755,747	665,887

34. 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.

(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	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Dividend received from a subsidiary:-				
Mykris Net (MSC) Sdn. Bhd.	-	-	6,000,000	4,500,000
Management fee from subsidiaries and a related party:-				
Mykris Asia Sdn. Bhd.	-	-	1,656,000	1,512,000
Mykris Net (MSC) Sdn. Bhd.	-	-	168,000	168,000
NetAssist (M) Sdn. Bhd.	63,600	38,160	-	-
Office rental received from a related party:-				
NetAssist (M) Sdn. Bhd.	63,600	-	-	-
Payment on behalf from subsidiary:-				
Mykris Asia Sdn. Bhd.	-	-	21,636	7,199
Payment on behalf for an associate and a related party:-				
Hongsa Telecom Company Limited	38,631	-	-	-
NetAssist (M) Sdn. Bhd.	-	81,510	-	-
Revenue from IT based products and services to a related party:-				
Hongsa Telecom Company Limited	-	4,658	-	-
Purchases from a related party:-				
NetAssist (M) Sdn. Bhd.	(824,053)	(193,007)	-	-

35. 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	
	2021	**2020**
	RM	RM
United States Dollar	4.15	4.31
New Zealand Dollar	2.90	2.58
Singapore Dollar	3.09	3.03
100 Myanmar Kyat	0.30	-

36. OPERATING SEGMENTS

36.1 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.

36.2 MAJOR CUSTOMERS

During the current financial year, there is no customer with revenue equal to or more than 10% of the Group revenue.

37. 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.

37.1 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 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.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 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	New Zealand Dollar RM	Singapore Dollar RM	Ringgit Malaysia RM	Total RM
2021					
Financial Assets					
Trade receivables	430,152	-	236,085	4,862,346	5,528,583
Other receivables	-	-	-	112,399	112,399
Amount owing by an associate	-	-	-	38,631	38,631
Short-term investments	-	-	-	13,972,000	13,972,000
Fixed deposit with a licensed bank	-	-	-	1,234,895	1,234,895
Cash and bank balances	604,729	480	186,823	12,642,644	13,434,676
	1,034,881	480	422,908	32,862,915	34,321,184

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 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	Ringgit Malaysia RM	Total RM
2021					
Financial Liabilities					
Trade payables	24,307	-	2,698	830,162	857,167
Other payables and accruals	-	-	-	1,884,369	1,884,369
Amount owing to a related party	-	-	-	151,314	151,314
Lease liabilities	-	-	-	1,967,947	1,967,947
	24,307	-	2,698	4,833,792	4,860,797

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 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	Ringgit Malaysia RM	Total RM
2021					
Net financial assets/(liabilities)	1,010,574	480	420,210	28,029,123	29,460,387
Less : Net financial (assets)/liabilities denominated in the respective entities' functional currency	-	-	-	(28,029,123)	(28,029,123)
Currency exposure	1,010,574	480	420,210	-	1,431,264

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 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	Ringgit Malaysia RM	Total RM
2020					
Financial Assets					
Trade receivables	124,164	-	16,101	5,536,216	5,676,481
Other receivables	-	-	-	788,340	788,340
Short-term investments	-	-	-	1,808,288	1,808,288
Fixed deposit with a licensed bank	-	-	-	1,200,000	1,200,000
Cash and bank balances	449,307	436	48,575	20,473,190	20,971,508
	573,471	436	64,676	29,806,034	30,444,617

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 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	Ringgit Malaysia RM	Total RM
2020					
Financial Liabilities					
Trade payables	75,184	-	-	131,497	206,681
Other payables and accruals	-	-	-	1,514,713	1,514,713
Amount owing to a related party	-	-	-	68,597	68,597
Lease liabilities	-	-	-	1,994,664	1,994,664
	75,184	-	-	3,709,471	3,784,655

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 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	Ringgit Malaysia RM	Total RM
2020					
Net financial assets/(liabilities)	498,287	436	64,676	26,096,563	26,659,962
Less : Net financial (assets)/liabilities denominated in the respective entities' functional currency	-	-	-	(26,096,563)	(26,096,563)
Currency exposure	498,287	436	64,676	-	563,399

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

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

	The Group	
	2021	**2020**
	RM	RM
Effects on Profit After Taxation		
USD/RM - strengthened by 5%	38,400	18,900
- weakened by 5%	(38,400)	(18,900)
NZD/RM - strengthened by 5%	18	17
- weakened by 5%	(18)	(17)
SGD/RM - strengthened by 5%	16,000	2,500
- weakened by 5%	(16,000)	(2,500)

(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 deposit with a licensed bank is carried at amortised cost. Therefore, it is not subject to interest rate risk as defined in MFRS 7 since neither the carrying amount 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 amount of the financial instrument at the end of the reporting period is disclosed in Note 22 to the financial statements.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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	
	2021	**2020**
	RM	RM
Effects on Profit After Taxation		
Increase of 100 basis points	(45,600)	(48,500)
Decrease of 100 basis points	45,600	48,500

(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.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

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	
	2021	**2020**
	RM	RM
Malaysia	4,894,233	5,538,156
Singapore	236,085	16,101
Philippine	234,959	-
Indonesia	82,845	16,438
United States of America	-	73,737
Hong Kong	42,776	32,049
Thailand	37,685	-
	5,528,583	5,676,481

(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).

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(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 a year, are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 months 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.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (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	Individual Impairment RM	Collective Impairment	Carrying Amount RM
2021				
Current (not past due)	2,146,966	-	-	2,146,966
1 to 30 days past due	712,123	-	-	712,123
31 to 90 days past due	251,661	-	-	251,661
More than 90 days past due	2,417,833	-	-	2,417,833
Credit impaired	568,240	(374,660)	(193,580)	-
Trade receivables	6,096,823	(374,660)	(193,580)	5,528,583
Contract assets	103,593	-	-	103,593
	6,200,416	(374,660)	(193,580)	5,632,176

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2020			
Current (not past due)	1,773,012	-	1,773,012
1 to 30 days past due	1,291,007	-	1,291,007
31 to 90 days past due	1,722,754	-	1,722,754
More than 90 days past due	889,708	-	889,708
Credit impaired	242,595	(242,595)	-
Trade receivables	5,919,076	(242,595)	5,676,481
Contract assets	52,706	-	52,706
	5,971,782	(242,595)	5,729,187

The movements in the loss allowances in respect of trade receivables is disclosed in Notes 14 to the financial statements.

Other Receivables and Amount Owing By An Associate

Other receivables and amount owing by an associate are also subject to the impairment requirements of MFRS 9. Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposit with A Licensed Bank, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is 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.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) 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 payments computed using contractual rates or, if floating, based on the rate at the end of the reporting period):-

The Group	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2021						
Non-derivative Financial Liabilities						
Trade payables	-	857,167	857,167	857,167	-	-
Other payables and accruals	-	1,884,369	1,884,369	1,884,369	-	-
Amount owing to a related party	-	151,314	151,314	151,314	-	-
Lease liabilities	4.23 to 4.62	1,967,947	2,074,185	1,289,631	784,554	-
Term loan	4.00	5,959,101	8,803,670	421,056	2,105,280	6,277,334
		10,819,898	13,770,705	4,603,537	2,889,834	6,277,334

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) 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 payments computed using contractual rates or, if floating, based on the rate at the end of the reporting period) (Cont'd):-

The Group	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 years RM
2020						
Non-derivative Financial Liabilities						
Trade payables	-	206,681	206,681	206,681	-	-
Other payables and accruals	-	1,514,713	1,514,713	1,514,713	-	-
Amount owing to a related party	-	68,597	68,597	68,597	-	-
Lease liabilities	4.62 to 4.86	1,994,664	2,138,337	1,268,225	870,112	-
Term loan	4.00	6,387,731	9,232,300	428,630	2,105,280	6,698,390
		10,172,386	13,160,628	3,486,846	2,975,392	6,698,390

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) 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 payments computed using contractual rates or, if floating, based on the rate at the end of the reporting period) (Cont'd):-

The Company	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2021				
Non-derivative Financial Liabilities				
Other payables and accruals	-	145,755	145,755	145,755
2020				
Non-derivative Financial Liabilities				
Other payables and accruals	-	140,265	140,265	140,265

37. FINANCIAL INSTRUMENTS (CONT'D)

37.2 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.

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group	
	2021	**2020**
	RM	RM
Financial Assets		
Fair Value Through Profit or Loss		
Short-term investments	13,972,000	1,808,288
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition		
Other investments	-	33,400
Amortised Cost		
Trade receivables	5,528,583	5,676,481
Other receivables	112,399	788,340
Amount owing by an associate	38,631	-
Fixed deposit with a licensed bank	1,234,895	1,200,000
Cash and bank balances	13,434,676	20,971,508
	34,321,184	30,478,017

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group	
	2021	**2020**
	RM	RM
Financial Liability		
Amortised Cost		
Trade payables	857,167	206,681
Other payables and accruals	1,884,369	1,514,713
Amount owing to a related party	151,314	68,597
Lease liabilities	1,967,947	1,994,664
Term loan	5,959,101	6,387,731
	10,819,898	10,172,386

	The Company	
	2021	**2020**
	RM	RM
Financial Assets		
Fair Value Through Profit or Loss		
Short-term investments	3,656,353	512,888
Amortised Cost		
Other receivables	231	231
Cash and bank balances	692,239	4,614,608
	4,348,823	5,127,727
Financial Liability		
Amortised Cost		
Other payables and accruals	145,755	140,265

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group	
	2021	**2020**
	RM	RM
Financial Assets		
Fair Value Through Profit or Loss		
Net gains recognised in profit or loss	163,709	41,655
Amortised cost		
Net (losses)/gains recognised in profit or loss	(268,529)	98,470
Financial Liability		
Amortised cost		
Net losses recognised in profit or loss	(149,207)	(157,112)

	The Company	
	2021	**2020**
	RM	RM
Financial Assets		
Fair Value Through Profit or Loss		
Net gains recognised in profit or loss	36,091	9,891
Amortised cost		
Net gains recognised in profit or loss	6,503	18,643

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 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			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
The Group	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2021								
Financial Asset								
Short-term investments	-	13,972,000	-	-	-	-	13,972,000	13,972,000
Financial Liability								
Term loan	-	-	-	-	5,959,101	-	5,959,101	5,959,101

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

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 (Cont'd):-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
The Group	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	**Total Fair Value** RM	**Carrying Amount** RM
2020								
Financial Assets								
Other investments	-	33,400	-	-	-	-	33,400	33,400
Short-term investments	-	1,808,288	-	-	-	-	1,808,288	1,808,288
Financial Liability								
Term loan	-	-	-	-	6,387,731	-	6,387,731	6,387,731

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

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 (Cont'd):-

	Fair Value Of Financial Instruments Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
The Company	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
2021					
Financial Asset					
Short-term investments	-	3,656,353	-	3,656,353	3,656,353
2020					
Financial Asset					
Short-term investments	-	512,888	-	512,888	512,888

Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

(i) The fair value of unquoted equity investments is determined based on market comparison technique using market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the unquoted shares.

(ii) The fair value of money market fund is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

Fair Value of Financial Instruments not Carried at Fair Value

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.

38. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT EVENT

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The management has assessed the impact on the Group and of the opinion that there were no material financial impacts arising from the pandemic. Nevertheless, the Company has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its potential impacts on the Company's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.