



OMESTI

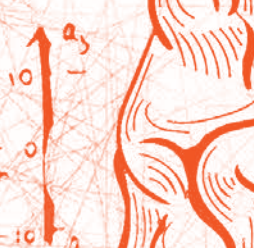
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$$s \cdot \phi \cdot y = \rho \sin \phi$$

$$\rho = \sqrt{x^2 + y^2}$$



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INSPIRING Innovation

Financial Statements

Annual Report 2018

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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 2018.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities and the provision of management services. The principal activities and the details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year	(152,425,936)	(44,669,801)
Attributable to:		
Owners of the parent	(131,644,419)	(44,669,801)
Non-controlling interests	(20,781,517)	-
	(152,425,936)	(44,669,801)

DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any payment of final dividend in respect of the current financial year.

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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the number of issued and fully paid-up share capital of the Company has been increased from 430,254,891 to 431,075,491 ordinary shares by way of issuance of 820,600 new ordinary shares pursuant to the Long Term Incentive Plan (LTIP) to eligible employees as disclosed in Note 18 to the financial statements.

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

OPTIONS GRANTED OVER UNISSUED SHARES

Long-Term Incentives Plan (LTIP)

At an Extraordinary General Meeting held on 24 September 2013, the Directors were authorised to proceed with the establishment and administration of the LTIP, which comprises an Employee Share Option Scheme (ESOS) and an Employee Share Grant Plan (ESGP) and is administered by the LTIP Committee appointed by the Board of Directors, in accordance with the By-Laws of the LTIP. The LTIP shall be in force for a period of 5 years from 16 October 2013, unless extended further. The main features of the LTIP are disclosed in Note 33 to the financial statements.

During the financial year, the Company has granted 859,800 new ordinary shares under the ESGP to eligible executive employees of the Company. A total of 820,600 has been vested during the financial year.

Warrants

Unexercised warrants of the Company as at 31 March 2018 are as follows:

Warrants	Date issued	Exercise price	Number of warrants over ordinary shares	Warrant expiry date
Warrants 2013/2018	31 May 2013	RM0.50	83,142,487	30 May 2018

On 30 May 2018, 1,728,000 warrants had been exercised and the balance of warrants that remained unexercised were 81,414,487 warrants. The remaining unexercised warrants had expired on 30 May 2018.

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Omesti Berhad

Dato' Mah Siew Kwok

Mah Xian-Zhen

Monteiro Gerard Clair

Dato' Sri Thong Kok Khee

Tai Keat Chai

Mah Yong Sun

Tan Wee Hong

Wan Mai Gan

Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas

Hj. Ahmad Bin Khalid

(appointed on 2 January 2018)

(appointed on 2 January 2018)

(resigned on 2 January 2018)

(resigned on 2 January 2018)

DIRECTORS (CONT'D.)

The Directors who have held office since the date of the last report are: (cont'd.)

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

Ainuddin Bin Jantan	
Ch'ng Kai Fen	
Chia Yong Wei	
Elwin Lim Yew Mun	
Gan Khong Kiat	
Datuk Mohd Samsuri Bin Mohd Sohoh	
Hoe Kah Soon*	
Martin Chu Leong Meng	
Neo Poh Lian	
Nik Shazni Farhan Bin Nik Muhammad Shah	
Robin Lim Jin Hee*	
Tun Arifin Bin Zakaria	
Dato' Dr Tan Seng Chuan*	(appointed on 10 November 2017)
Dato' Jaganath Derek Steven Sabapathy	(appointed on 20 October 2017)
Hj. Ahmad Bin Khalid	(appointed on 1 June 2018)
Louis Tan Hai Aun	(appointed on 21 February 2018)
Adlin Bin Shaharudin	(resigned on 5 June 2018)
Dato' Gan Nyap Liou @ Gan Nyap Liow	(resigned on 22 February 2018 and 5 June 2018)
Nurman Rummel Bin Sanusi	(resigned on 19 July 2017)
Wan Mohalina Binti Wan Mohammad	(resigned on 5 June 2018)
Zailan Bin Kassim	(resigned on 19 July 2017)
Lau Chi Chiang	(retired on 14 September 2017)

* Directors of Diversified Gateway Solutions Berhad (DGSB) Group. DGSB ceased as a subsidiary of the Company on 7 March 2018.

DIRECTORS' INTERESTS

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

	<----- Number of ordinary shares ----->			
	Balance as at 1.4.2017	Bought	Sold	Balance as at 31.3.2018
Shares in the Company				
<u>Direct interests</u>				
Dato' Mah Siew Kwok	88,896,424	-	(6,765,000)	82,131,424
Mah Yong Sun	4,621,300	-	-	4,621,300
Monteiro Gerard Clair	7,477,300	1,761,500	-	9,238,800
Mah Xian-Zhen	9,168,000	420,300	-	9,588,300
<u>Indirect interests</u>				
Dato' Sri Thong Kok Khee^	42,659,500	6,000,000	-	48,659,500
Monteiro Gerard Clair#	68,431,300	-	(289,000)	68,142,300

DIRECTORS' INTERESTS (CONT'D.)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (cont'd.)

	<----- Number of warrants 2013/2018 ----->			
	Balance as at 1.4.2017	Bought	Sold	Balance as at 31.3.2018
Warrants 2013/2018 in the Company				
<u>Direct interests</u>				
Dato' Mah Siew Kwok	26,244,135	-	-	26,244,135
Mah Yong Sun	750,000	-	-	750,000
Monteiro Gerard Clair	71,000	688,500	-	759,500
<u>Indirect interests</u>				
Dato' Sri Thong Kok Khee ^	7,671,100	-	-	7,671,100
Monteiro Gerard Clair #	20,382,500	-	(20,382,500)	-

	<----- Number of ordinary shares ----->			
	Balance as at 1.4.2017	Bought	Sold	Balance as at 31.3.2018
Shares in a subsidiary				
Microlink Solutions Berhad				
<u>Direct interests</u>				
Monteiro Gerard Clair	1,601,147	1,617,700	-	3,218,847
Dato' Mah Siew Kwok	1,271,536	-	(92,600)	1,178,936
Mah Xian-Zhen	118,666	-	-	118,666
Mah Yong Sun	3,850,213	-	(2,676,800)	1,173,413
<u>Indirect interests</u>				
Dato' Sri Thong Kok Khee ^	426,595	-	-	426,595
Dato' Mah Siew Kwok*	97,052,093	2,169,700	-	99,221,793

DIRECTORS' INTERESTS (CONT'D.)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (cont'd.)

	Number of options over ordinary shares			Balance as at 31.3.2018
	Balance as at 1.4.2017	Granted	Exercised	

ESOS in a subsidiary

Microlink Solutions Berhad

Direct interests

Monteiro Gerard Clair	1,000,200	-	-	-	1,000,200
Mah Xian-Zhen	600,000	-	-	-	600,000
Tai Keat Chai	600,000	-	-	-	600,000

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

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

^{*} Deemed interest by virtue of his substantial interest in Omesti Berhad, pursuant to Section 8(4) of the Companies Act 2016 in Malaysia.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 31 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

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

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount of bad debts written off or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

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

(III) AS AT THE DATE OF THIS REPORT

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events subsequent to the end of the reporting period are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 March 2018 amounted to RM52,500 and RM365,109 respectively.

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

Monteiro Gerard Clair

Director

Kuala Lumpur

5 July 2018

Mah Xian-Zhen

Director

Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 14 to 86 have been drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Monteiro Gerard Clair
Director

Mah Xian-Zhen
Director

Kuala Lumpur
5 July 2018

Statutory Declaration

I, Thoo W'y-Kit (CA 31394), being the officer primarily responsible for the financial management of Omesti Berhad, do solemnly and sincerely declare that the financial statements as set out on pages 14 to 86 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
5 July 2018)

Thoo W'y-Kit

Before me:

BALOO A/L T. PICHAI (W 663)
Commissioner for Oaths

Independent Auditors' Report

TO THE MEMBERS OF OMESTI BERHAD
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Omesti Berhad, which comprise the statements of financial position as at 31 March 2018 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 14 to 86.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards (FRSs) and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

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

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

KEY AUDIT MATTERS

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

1. **Impairment assessment of the carrying amount of goodwill**

The carrying amount of goodwill on consolidation as at 31 March 2018 amounted to RM36.7 million, as disclosed in Note 5 to the financial statements.

We have focused on this impairment assessment as the process is complex and it requires significant judgments and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units (CGU) in determining the recoverable amounts. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each CGU.

Audit response

Our audit procedures included the following:

- (i) Compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;
- (ii) Assessed and challenged the key assumptions used in forecasting revenues, operating profit margins and growth rates;
- (iii) Assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, weighted average cost of capital of the Group and relevant risk factors; and
- (iv) Performed sensitivity analysis to stress test the key assumptions used in the forecasts to evaluate the impact on the impairment assessment.

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

KEY AUDIT MATTERS (CONT'D.)

2. *Recoverability of trade receivables*

As at 31 March 2018, the Group has trade receivables of RM60.7 million which include debts that are past due but not impaired of RM28.0 million. The details of trade receivables and its credit risk have been disclosed in Note 14 to the financial statements.

Management recognised impairment losses on trade receivables based on specific known facts or circumstances on customers' abilities to pay.

We have focused on the recoverability of trade receivables as it requires a high level of management judgment and the amounts are material.

Audit response

Our audit procedures included the following:

- (i) Assessed recoverability of receivables that were past due but not impaired with reference to their historical bad debt expense, ageing profiles of the counter parties and past historical repayment trends; and
- (ii) Assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

3. *Impairment assessment on the carrying amount of investments in subsidiaries*

As at 31 March 2018, the net carrying amount of investments in subsidiaries amounted to RM160.1 million as disclosed in Note 7 to the financial statements.

As indicators of impairment can be observed in certain subsidiaries, the management has performed impairment assessments on these subsidiaries.

We have focused on the impairment assessments as the process is complex and they require significant judgments and estimates about the future results and key assumptions applied to the cash flow projections of the affected subsidiaries in determining the recoverable amounts which were based on the value-in-use model. These key assumptions include forecasted revenue growth rates and operating profit margins, as well as determining an appropriate pre-tax discount rate used for each subsidiary.

Audit response

Our audit procedures included the following:

- (i) Compared prior period budgets to actual outcomes to assess reliability of management's forecasting process;
- (ii) Assessed and challenged the key assumptions used in forecasting revenues, operating profit margins and growth rates;
- (iii) Assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, weighted average cost of capital of the Group and relevant risk factors; and
- (iv) Performed sensitivity analysis to stress test the key assumptions used in the impairment assessment.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with FRSs 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

OTHER MATTERS

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

BDO
AF: 0206
Chartered Accountants

Koo Swee Lin
03281/08/2018 J
Chartered Accountant

Kuala Lumpur
5 July 2018

Statements of Financial Position

As at 31 March 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
ASSETS					
Non-current assets					
Goodwill	5	36,714,033	78,239,483	-	-
Other intangible assets	6	8,679,588	52,115,669	-	-
Investments in subsidiaries	7	-	-	160,060,001	160,060,001
Investments in associates	8	103,124,714	85,680,914	-	-
Other investments	9	1,930,484	32,420,850	-	29,090,890
Trade receivables	14	-	6,272,463	-	-
Other receivables, deposits and prepayments	10	9,278,502	16,641,574	16,685,110	18,009,691
Deferred tax assets	11	4,553,396	6,705,076	-	-
Property, plant and equipment	12	11,836,551	31,718,325	520,492	771,198
		176,117,268	309,794,354	177,265,603	207,931,780
Current assets					
Inventories	13	39,002,848	21,810,874	-	-
Other investments	9	103,077	119,989	-	-
Trade receivables	14	60,689,045	85,011,152	146,936	4,880
Other receivables, deposits and prepayments	10	50,728,178	77,915,776	945,761	7,755,936
Amounts owing by subsidiaries	15	-	-	79,191,033	82,922,214
Amounts owing by associates	16	8,702	8,752	8,702	8,752
Current tax assets		5,696,628	9,415,081	352,761	229,993
Cash and bank balances	17	40,376,636	73,388,740	71,764	447,446
		196,605,114	267,670,364	80,716,957	91,369,221
TOTAL ASSETS		372,722,382	577,464,718	257,982,560	299,301,001

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

STATEMENTS OF FINANCIAL POSITION (CONT'D.)

As at 31 March 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	18	230,698,331	230,280,629	230,698,331	230,280,629
Reserves	19	39,032,106	37,513,276	35,970,624	35,970,624
Retained earnings/ (Accumulated losses)		(115,411,593)	8,699,939	(38,889,427)	5,780,374
		154,318,844	276,493,844	227,779,528	272,031,627
Non-controlling interests	7	13,088,048	53,415,144	-	-
TOTAL EQUITY		167,406,892	329,908,988	227,779,528	272,031,627
LIABILITIES					
Non-current liabilities					
Borrowings	20	15,328,960	18,011,845	-	-
Provisions	30	3,686,438	4,556,031	801,183	706,450
Deferred tax liabilities	11	144,727	797,153	-	-
		19,160,125	23,365,029	801,183	706,450
Current liabilities					
Trade payables	23	29,649,907	35,013,232	-	-
Other payables, deposits and accruals	24	80,458,839	93,397,093	868,500	997,310
Amounts owing to subsidiaries	15	-	-	28,533,349	25,565,614
Amounts owing to associates	16	510,521	1,279,704	-	-
Borrowings	20	75,533,890	94,097,219	-	-
Current tax payable		2,208	403,453	-	-
		186,155,365	224,190,701	29,401,849	26,562,924
TOTAL LIABILITIES		205,315,490	247,555,730	30,203,032	27,269,374
TOTAL EQUITY AND LIABILITIES		372,722,382	577,464,718	257,982,560	299,301,001

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

Statements of Profit or Loss and other Comprehensive Income

For the financial year ended 31 March 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Revenue	26	354,599,078	420,207,012	1,601,248	11,529,564
Changes in inventories		15,442,224	2,696,772	-	-
Purchases		(259,502,622)	(308,380,264)	-	-
Other operating income		4,056,030	4,770,009	1,413,997	1,457,839
Depreciation and amortisation expenses	6,12	(8,278,456)	(9,191,227)	(252,874)	(267,107)
Employee benefits	31	(89,383,057)	(89,944,161)	(4,663,560)	(4,693,264)
Other operating expenses		(161,641,058)	(29,515,030)	(42,759,079)	(5,224,214)
Finance costs	27	(9,668,666)	(10,282,922)	(1,406)	(1,033)
Share of profit of associates, net of tax	8	4,054,165	8,509,412	-	-
(Loss)/Profit before tax		(150,322,362)	(11,130,399)	(44,661,674)	2,801,785
Taxation	28	(2,103,574)	(3,820,341)	(8,127)	9,204
(Loss)/Profit for the financial year		(152,425,936)	(14,950,740)	(44,669,801)	2,810,989
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations for foreign operations, net of tax		483,915	601,909	-	-
Share of other comprehensive loss of associates, net of tax	8	(155,238)	(155,244)	-	-
Total other comprehensive income/ (loss)		328,677	446,665	-	-
Total comprehensive (loss)/income		(152,097,259)	(14,504,075)	(44,669,801)	2,810,989

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

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

For the financial year ended 31 March 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
(Loss)/Profit attributable to:					
Owners of the parent		(131,644,419)	(12,111,981)	(44,669,801)	2,810,989
Non-controlling interests	7	(20,781,517)	(2,838,759)	-	-
		(152,425,936)	(14,950,740)	(44,669,801)	2,810,989
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(131,148,992)	(11,522,029)	(44,669,801)	2,810,989
Non-controlling interests		(20,948,267)	(2,982,046)	-	-
		(152,097,259)	(14,504,075)	(44,669,801)	2,810,989
Loss per ordinary share attributable to owners of the parent:					
Basic (sen)	29	(30.56)	(2.91)		
Diluted (sen)	29	(30.56)	(2.91)		

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

Consolidated Statements of Changes in Equity

For the financial year ended 31 March 2018

Group	Note	Non-distributable							Retained earnings/ (Accumulated losses)	Total attributable to owners of the parent	Non-controlling interests	Total equity
		Share capital	Share premium	Capital reserve	Warrant reserve	Equity compensation reserve	Exchange translation reserve					
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Balance as at 1 April 2016		194,630,837	15,637,429	24,663,246	11,307,378	3,943,736	(1,450,688)	16,579,110	265,311,053	39,702,597	305,013,650	
Loss for the financial year		-	-	-	-	-	-	(12,111,981)	(12,111,981)	(2,888,759)	(14,950,740)	
Foreign currency translations for foreign operations, net of tax		-	-	-	-	-	745,196	-	745,196	(143,287)	601,909	
Share of other comprehensive loss of associates, net of tax		-	-	-	-	-	(245,036)	89,791	(155,244)	-	(155,244)	
Total comprehensive loss		-	-	-	-	-	500,161	(12,022,190)	(11,522,029)	(2,982,046)	(14,504,075)	
Transactions with owners												
Shares issued pursuant to LTIP	18	1,006,850	9,901	-	-	-	-	-	1,016,751	-	1,016,751	
Shares issued pursuant to private placement	18	19,489,600	-	-	-	-	-	-	19,489,600	-	19,489,600	
Share issue expenses		-	(494,292)	-	-	-	-	-	(494,292)	-	(494,292)	
Conversion of warrants	18	158	146	-	-	-	-	-	304	-	304	
Effects arising from acquisition of a subsidiary		-	-	-	-	-	-	-	-	4,000	4,000	
Arising from accretion of equity interests in subsidiaries		-	-	-	-	-	-	(6,278,922)	(6,278,922)	3,413,591	(2,865,331)	
Arising from dilution of equity interests in subsidiaries		-	-	-	-	-	-	6,478,205	6,478,205	11,422,356	17,900,561	
Share-based payment transactions in a subsidiary		-	-	-	-	2,493,174	-	-	2,493,174	1,854,646	4,347,820	
ESOS lapsed		-	-	-	-	(3,943,736)	-	3,943,736	-	-	-	
Total transactions with owners		20,496,608	(484,245)	-	-	(1,450,562)	-	4,143,019	22,704,820	16,694,593	39,399,413	
Effects of the new Companies Act 2016	18	15,153,184	(15,153,184)	-	-	-	-	-	-	-	-	
Balance as at 31 March 2017		230,280,629	-	24,663,246	11,307,378	2,493,174	(950,522)	8,699,939	276,493,844	53,415,144	329,908,988	

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

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

For the financial year ended 31 March 2018

Group	Note	Non-distributable							Retained earnings/ (Accumulated losses)	Total attributable to owners of the parent	Non-controlling interests	Total equity
		Share capital	Share premium	Capital reserve	Warrant reserve	Equity compensation reserve	Exchange translation reserve					
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Balance as at 1 April 2017		230,280,629	-	24,668,246	11,307,378	2,498,174	(950,622)	8,699,989	276,493,844	53,415,144	329,908,988	
Loss for the financial year		-	-	-	-	-	-	(131,644,419)	(131,644,419)	(20,781,517)	(152,425,936)	
Foreign currency translations for foreign operations, net of tax		-	-	-	-	-	650,665	-	650,665	(166,750)	483,915	
Share of other comprehensive loss of associates, net of tax		-	-	-	-	-	48,688	(203,826)	(155,238)	-	(155,238)	
Total comprehensive loss		-	-	-	-	-	699,253	(131,848,245)	(131,148,992)	(20,948,267)	(152,097,259)	
Transactions with owners												
Shares issued pursuant to LTIP	18	417,702	-	-	-	-	-	-	417,702	-	417,702	
Arising from acquisition of a subsidiary		-	-	-	-	-	-	-	-	375,460	375,460	
Arising from disposal of a subsidiary		-	-	-	-	-	-	-	-	(39,246,995)	(39,246,995)	
Arising from accretion of equity interests in subsidiaries		-	-	-	-	-	-	(3,414,306)	(3,414,306)	1,943,682	(1,470,624)	
Arising from dilution of equity interests in subsidiaries		-	-	-	-	-	-	11,151,019	11,151,019	16,955,365	28,106,384	
Share-based payment transactions in a subsidiary		-	-	-	-	819,577	-	-	819,577	593,659	1,413,236	
Total transactions with owners		417,702	-	24,668,246	11,307,378	3,812,751	-	7,766,713	8,973,992	(19,378,829)	(10,404,837)	
Balance as at 31 March 2018		230,698,331	-	24,668,246	11,307,378	3,812,751	(251,269)	(115,411,593)	154,318,844	13,088,048	167,406,892	

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

Statements of Changes in Equity

For the financial year ended 31 March 2018

Company	Note	Non-distributable					Equity compensation reserve RM	Retained earnings/ (Accumulated losses) RM	Total equity RM
		Share capital RM	Share premium RM	Capital reserve RM	Warrant reserve RM	Share premium RM			
Balance as at 1 April 2016		194,630,887	15,637,429	24,663,246	11,307,378	3,943,736	(2,098)	250,180,533	
Profit for the financial year		-	-	-	-	-	2,810,989	2,810,989	
Other comprehensive income, net of tax		-	-	-	-	-	-	-	
Total comprehensive income		-	-	-	-	-	2,810,989	2,810,989	
Transactions with owners									
Shares issued pursuant to LTIP	18	1,006,850	9,901	-	-	-	-	1,016,751	
Shares issued pursuant to private placement	18	19,489,600	-	-	-	-	-	19,489,600	
Share issue expenses		-	(494,292)	-	-	-	-	(494,292)	
Conversion of warrants	18	158	146	-	-	-	-	304	
ESOS lapsed		-	-	-	-	(3,943,736)	2,971,478	(972,258)	
Total transactions with owners		20,496,608	(484,245)	-	-	(3,943,736)	2,971,478	19,040,105	
Effects of the new Companies Act 2016	18	15,153,184	(15,153,184)	-	-	-	-	-	
Balance as at 31 March 2017		230,280,629	-	24,663,246	11,307,378	-	5,780,374	272,031,627	

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D.)

For the financial year ended 31 March 2018

Company	Note	Non-distributable				Equity compensation reserve RM	Retained earnings/ (Accumulated losses) RM	Total equity RM
		Share capital RM	Share premium RM	Capital reserve RM	Warrant reserve RM			
Balance as at 1 April 2017		230,280,629	-	24,668,246	11,307,378	-	5,780,374	272,031,627
Loss for the financial year		-	-	-	-	-	(44,669,801)	(44,669,801)
Other comprehensive income, net of tax		-	-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	-	(44,669,801)	(44,669,801)
Transaction with owners								
Shares issued pursuant to LTIP	18	417,702	-	-	-	-	-	417,702
Total transaction with owners		417,702	-	-	-	-	-	417,702
Balance as at 31 March 2018		230,698,331	-	24,668,246	11,307,378	-	(38,889,427)	227,779,528

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

Statements of Cash Flows

For the financial year ended 31 March 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		(150,322,362)	(11,130,399)	(44,661,674)	2,801,785
Adjustments for:					
Amortisation of:					
- software development costs	6	3,195,994	3,901,592	-	-
- license agreement	6	719,496	719,496	-	-
Bad debts recovered		(3,201)	(605)	-	-
Bad debts written off		148,484	346,663	-	-
Depreciation of property, plant and equipment	12	4,362,966	4,570,139	252,874	267,107
Dividend income from investment in quoted shares	26	(17)	-	-	-
Dividend income from subsidiaries	26	-	-	-	(10,200,000)
Equity settled share-based payment expense	31	1,830,938	5,468,770	417,702	950,250
Net loss on dilution of equity interest in associates		2,014,317	1,147,051	-	-
Net loss on fair value adjustments on other investments	9(b)	1,570,602	1,444,865	-	-
Net loss/(gain) on disposal of:					
- investment in an associate		(38,125)	-	-	-
- other investments		250,238	-	-	-
- property, plant and equipment		(25,076)	(6,469)	(10,000)	(4,600)
- subsidiaries	7(d)	17,555,831	-	-	-
Impairment losses on:					
- goodwill	5(d)	3,745,889	-	-	-
- trade receivables	14(f)	8,708,275	1,170,252	-	-
- other receivables	10(e)	2,628,229	2,629,841	2,128,229	2,629,841
- investment in associates	8(g)	3,741,577	-	-	-
- other investments	9(f)	26,669,729	-	29,090,890	-
- property, plant and equipment	12	16,549,310	-	-	-
- software development costs	6(d)	40,040,255	-	-	-
Interest expense		9,045,329	9,920,646	-	29
Interest income		(1,152,615)	(2,082,355)	(5,351)	(453,488)
Preference share dividend from a subsidiary		-	-	(1,243,846)	(844,881)
Inventories written off		3,115,606	-	-	-
Property, plant and equipment written off	12	135,031	215,189	-	-
Provision/(Reversal) for gratuity obligations	30(b)	369,384	(307,080)	94,733	(130,234)
Provision for post-employment benefits	30(a)	178,255	445,557	-	-
Reversal of impairment loss on trade receivables	14(f)	(29,379)	(261,987)	-	-
Share of profit of associates	8(c)	(4,054,165)	(8,509,412)	-	-
Software development costs written off	6	-	27,000	-	-
Waiver of loan receivable from a subsidiary		-	-	2,294,251	-
Write off of deposits		6,350	-	-	-
Net unrealised loss/(gain) on foreign currency exchange		321,762	(660,120)	-	-
Operating (loss)/ profit before changes in working capital		(8,721,093)	9,048,634	(11,642,192)	(4,984,191)

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

STATEMENTS OF CASH FLOWS (CONT'D.)

For the financial year ended 31 March 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)					
Increase in inventories		(23,392,224)	(2,683,503)	-	-
(Increase)/Decrease in trade receivables		(15,782,296)	42,743,062	542	(4,880)
Decrease/(Increase) in other receivables, deposits and prepayments		14,785,684	(2,018,030)	5,863,978	6,376,354
Increase/(Decrease) in trade payables		4,757,927	(4,760,097)	-	-
Increase/(Decrease) in other payables, deposits and accruals		17,713,252	(12,777,536)	(128,810)	(314,784)
Cash (used in)/generated from operations		(10,638,750)	29,552,530	(5,906,482)	1,072,499
Tax paid		(7,346,272)	(8,517,834)	(208,213)	(292,277)
Tax refunded		421,856	49,229	77,318	-
Net cash (used in)/from operating activities		(17,563,166)	21,083,925	(6,037,377)	780,222
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired		-	4,000	-	-
Acquisition of additional interest in subsidiaries		(1,470,624)	(2,865,331)	-	-
Additions of software development	6	(519,664)	(35,483,230)	-	-
Disposal of a subsidiary, net of cash	7(d)	(11,513,282)	-	-	-
Disposal of interest in subsidiaries		28,106,384	144,207	-	-
Dividend income from investment in quoted shares	26	17	-	-	-
Interest received		1,145,809	2,082,355	5,351	453,488
Net (repayment to)/advances from an associate		-	(330,563)	-	9,356
Net advances from/(to) subsidiaries		-	-	4,404,666	(25,923,474)
Preference share dividend from a subsidiary		-	-	1,243,846	844,881
Proceeds from disposal of interest in an associate	8(e)	1,653,129	-	-	-
Proceeds from disposal of other investments		2,045,592	3,062,382	-	-
Proceeds from disposal of property, plant and equipment		128,440	84,320	10,000	19,013
Purchase of other investments		(22,068)	(406,349)	-	(406,349)
Purchase of property, plant and equipment	12(c)	(4,223,281)	(12,564,295)	(2,168)	(18,961)
Withdrawal of deposits pledged to licensed banks		8,181,622	1,263,626	-	-
Net cash from/(used in) investing activities		23,512,074	(45,008,878)	5,661,695	(25,022,046)

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

STATEMENTS OF CASH FLOWS (CONT'D.)

For the financial year ended 31 March 2018

	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Net drawdown/(Repayments) of:					
- invoice financing and factoring loan, trust receipts and term loans		(12,027,682)	11,849,866	-	-
- hire purchase and lease creditors		(6,205,059)	(10,730,117)	-	(5,846)
Interest paid		(9,045,329)	(9,920,646)	-	(29)
Net proceeds from shares issued pursuant to private placement		-	18,995,308	-	18,995,308
Ordinary share capital contributed by non-controlling interests of a subsidiary		-	17,756,354	-	-
Proceeds from conversion of warrants		-	304	-	304
Net cash (used in)/from financing activities		(27,278,070)	27,951,069	-	18,989,737
Net (decrease)/increase in cash and cash equivalents		(21,329,162)	4,026,116	(375,682)	(5,252,087)
Cash and cash equivalents at beginning of financial year		46,953,675	41,853,575	447,446	5,699,533
Effect of changes in exchange rates		7,730	1,073,984	-	-
Cash and cash equivalents at end of financial year	17(e)	25,632,243	46,953,675	71,764	447,446

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Invoice financing and factoring loan, trust receipts and term loans (Note 21)		Hire purchase and lease creditors (Note 22)	
	Group RM	Company RM	Group RM	Company RM
At 1 April 2017	72,658,116	-	35,756,652	-
Cash flows	(12,027,682)	-	(6,205,059)	-
Non-cash flows:				
- Disposal of subsidiary	(3,670)	-	(213,753)	-
- Purchase of property, plant and equipment	-	-	713,000	-
At 31 March 2018	60,626,764	-	30,050,840	-

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

Notes to the Financial Statements

31 March 2018

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 March 2018 comprise the Company and its subsidiaries and the interest of the Group in associates. These financial statements are presented in Ringgit Malaysia (RM), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 5 July 2018.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (FRSs) and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new FRSs during the financial year. The new FRSs and Amendments to FRSs adopted during the financial year are disclosed in Note 37 to the financial statements.

4. OPERATING SEGMENTS

The Company and its subsidiaries in Malaysia are principally engaged in the distribution, maintenance and development of computer hardware and software and advisory and consultancy for computer software solutions; whilst its subsidiaries in Singapore and Thailand are principally engaged in advisory and consultancy for computer software solutions.

(a) Reportable segments

The Group has arrived at 3 reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technological requirements, which requires different business and marketing strategies. These reportable segments are as follows:

(i) Business Performance Services

Provision of business performance improvement related services;

(ii) Trading and Distribution Services

Distribution and reselling of hardware and software and related services;

(iii) Digital and Infrastructure Services

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

4. OPERATING SEGMENTS (CONT'D.)

(a) Reportable segments (cont'd.)

Other segments comprise operations related to investment holding activities.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the financial years.

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

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

2018	Business performance services RM	Trading and distribution services RM	Digital and infrastructure services RM	Others RM	Elimination RM	Consolidation RM
Revenue						
External sales	186,065,305	150,953,542	17,294,163	286,068	-	354,599,078
Inter-segment sales	45,972,130	1,825,341	2,395,456	1,809,182	(52,002,109)	-
Total	232,037,435	152,778,883	19,689,619	2,095,250	(52,002,109)	354,599,078
Results						
Segment results	(55,794,526)	(4,903,389)	(16,110,025)	(53,912,723)	(15,763,150)	(146,483,813)
Interest expense	(1,804,190)	(1,599,337)	(743,073)	(5,350,059)	451,330	(9,045,329)
Interest income	716,593	235,387	175,301	476,664	(451,330)	1,152,615
Share of profit in associates, net of tax	-	-	-	4,054,165	-	4,054,165
Loss before tax	(56,882,123)	(6,267,339)	(16,677,797)	(54,731,953)	(15,763,150)	(150,322,362)
Tax expense						(2,103,574)
Loss for the financial year						(152,425,936)
Other information						
Segment assets	334,937,998	116,727,341	5,418,153	283,392,898	(367,754,008)	372,722,382
Segment liabilities	357,291,814	83,122,865	35,533,187	164,938,870	(435,571,246)	205,315,490
Capital expenditure	1,960,777	50,027	1,640,894	27,168	1,257,415	4,936,281
Depreciation and amortisation	4,571,985	378,311	2,139,440	262,898	925,822	8,278,456
Non-cash expenses other than depreciation and amortisation	72,366,610	7,813,420	9,348,934	65,896,174	(17,649,904)	137,775,234

4. OPERATING SEGMENTS (CONT'D.)

(a) Reportable segments (cont'd.)

2017	Business performance services RM	Trading and distribution services RM	Digital and infrastructure services RM	Others RM	Elimination RM	Consolidation RM
Revenue						
External sales	192,649,509	200,021,530	27,253,046	282,927	-	420,207,012
Inter-segment sales	57,202,432	7,574,511	9,778,289	21,918,249	(96,473,481)	-
Total	249,851,941	207,596,041	37,031,335	22,201,176	(96,473,481)	420,207,012
Results						
Segment results	3,894,356	8,161,190	(6,584,034)	12,355,415	(29,628,447)	(11,801,520)
Interest expense	(2,227,563)	(1,305,999)	(1,440,836)	(5,930,228)	983,980	(9,920,646)
Interest income	1,034,077	251,615	341,687	1,356,766	(901,790)	2,082,355
Share of profit in associates, net of tax	-	-	-	8,509,412	-	8,509,412
Profit/(Loss) before tax	2,700,870	7,106,806	(7,683,183)	16,291,365	(29,546,257)	(11,130,399)
Tax expense						(3,820,341)
Loss for the financial year						(14,950,740)
Other information						
Segment assets	424,221,093	118,943,926	100,868,303	461,630,295	(528,198,899)	577,464,718
Segment liabilities	394,495,833	79,795,936	71,766,328	205,773,493	(504,275,860)	247,555,730
Capital expenditure	1,236,697	245,317	2,817,723	9,521,974	(1,257,416)	12,564,295
Depreciation and amortisation	5,362,559	470,467	2,301,291	278,402	778,508	9,191,227
Non-cash expenses other than depreciation and amortisation	6,381,975	450,079	360,166	4,049,995	1,199,549	12,441,764

4. OPERATING SEGMENTS (CONT'D.)

(b) Geographical segments

	Revenue RM	Segment assets RM	Segment liabilities RM	Capital expenditure RM	Depreciation and amortisation RM
2018					
Malaysia	294,664,694	369,046,003	186,691,272	4,659,820	7,868,076
Singapore	193,933	1,048,701	9,879,578	-	139,824
Thailand	59,740,451	-	-	275,422	265,425
Indonesia	-	15,324	7,316,609	-	-
Vietnam	-	117,384	1,416,503	1,039	5,131
Brunei	-	2,494,970	11,528	-	-
	354,599,078	372,722,382	205,315,490	4,936,281	8,278,456
2017					
Malaysia	366,116,692	539,744,019	224,509,555	11,795,485	8,814,648
Singapore	2,664,736	1,103,949	214,961	324,344	162,543
Thailand	51,425,584	35,790,650	21,606,907	436,522	205,251
Indonesia	-	769,816	1,177,528	-	-
Vietnam	-	49,426	34,310	7,944	2,687
Brunei	-	6,858	12,469	-	6,098
	420,207,012	577,464,718	247,555,730	12,564,295	9,191,227

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

5. GOODWILL

	Group	
	2018 RM	2017 RM
Cost	42,518,754	80,298,315
Less: Accumulated impairment losses	(5,804,721)	(2,058,832)
Carrying amount	36,714,033	78,239,483

(a) Goodwill is accounted for using the proportionate method. After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any.

5. GOODWILL (CONT'D.)

- (b) Goodwill arising from business combinations have been allocated to the CGUs of the Group based on the following reportable segments:

	Business performance services RM	Trading and distribution services RM	Digital and infrastructure services RM	Total RM
As at 1 April 2016	41,838,205	1,767,113	34,634,165	78,239,483
Impairment loss during the financial year	-	-	-	-
As at 31 March 2017/1 April 2017	41,838,205	1,767,113	34,634,165	78,239,483
Disposal of a subsidiary (Note 7)	(5,737,705)	-	(32,041,856)	(37,779,561)
Impairment loss during the financial year	(1,153,580)	-	(2,592,309)	(3,745,889)
As at 31 March 2018	34,946,920	1,767,113	-	36,714,033

- (c) Recoverable amounts of goodwill for both financial years have been determined based on the value-in-use method using the following assumptions:

- (i) Cash flow forecasts based on approved financial budgets covering a five (5) year period;
- (ii) Pre-tax discount rate of the Group of 9.39% (2017: 7.49%) per annum;
- (iii) Forecasted growth rates ranging from 5% to 10 % (2017: 5 % to 10%) based on past performance of the segment;
- (iv) Terminal value based on the fifth year cash flow without incorporating any growth rate; and
- (v) Projected profit margins based on historical profit margins achieved.

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

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

	Group	
	2018 RM	2017 RM
As at 1 April 2017/2016	2,058,832	2,058,832
Impairment losses charged during the financial year	3,745,889	-
As at 31 March 2018/2017	5,804,721	2,058,832

6. OTHER INTANGIBLE ASSETS

	2018 RM	Group 2017 RM
Software development costs		
As at 1 April 2017/2016	48,278,386	13,044,548
Add: Addition during the financial year	519,664	39,162,430
Less: Impairment losses during the financial year	(40,040,255)	-
Less: Amortised during the financial year	(3,195,994)	(3,901,592)
Less: Written off during the financial year	-	(27,000)
As at 31 March 2018/2017	5,561,801	48,278,386
License agreement		
As at 1 April 2017/2016	3,837,283	4,556,779
Less: Amortised during the financial year	(719,496)	(719,496)
As at 31 March 2018/2017	3,117,787	3,837,283
Total other intangible assets	8,679,588	52,115,669

<----- As at 31.3.2018 ----->				
Group	Cost RM	Accumulated amortisation RM	Accumulated impairment losses RM	Carrying amount RM
Software development costs	76,628,403	(28,735,676)	(42,330,926)	5,561,801
License agreement	6,475,433	(3,357,646)	-	3,117,787
	83,103,836	(32,093,322)	(42,330,926)	8,679,588

<----- As at 31.3.2017 ----->				
Group	Cost RM	Accumulated amortisation RM	Accumulated impairment losses RM	Carrying amount RM
Software development costs	76,108,739	(25,539,682)	(2,290,671)	48,278,386
License agreement	6,475,433	(2,638,150)	-	3,837,283
	82,584,172	(28,177,832)	(2,290,671)	52,115,669

- (a) Software development costs and license agreement are intangible assets with finite useful lives that are measured after initial recognition at cost less any accumulated amortisation and any impairment losses.

6. OTHER INTANGIBLE ASSETS (CONT'D.)

- (b) Amortisation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal amortisation periods are as follows:

Software development costs	4 to 10 years
License agreement	9 years

- (c) There are no changes to the residual value of software development costs and license agreement during the financial year. A 1% change in residual value at the end of the reporting period has no significant impact on the carrying amount of software development costs and license agreement.
- (d) Management impaired software development costs of the Group amounted to RM40,040,255 (2017: Nil) during the financial year because the Directors do not anticipate any future economic benefits associated with these intangible assets.

Movements in accumulated impairment losses are as follows:

	2018 RM	Group 2017 RM
As at 1 April 2017/2016	2,290,671	2,290,671
Impairment losses charged during the financial year	40,040,255	-
As at 31 March 2018/2017	42,330,926	2,290,671

- (e) During the financial year, the Group made the following cash payments to purchase software development expenditure.

	2018 RM	Group 2017 RM
Purchase of software development expenditure	519,664	39,162,430
Other payables	-	(3,679,200)
Cash payments on purchase of software development expenditure	519,664	35,483,230

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018 RM	2017 RM
Unquoted shares, at cost	186,171,649	186,171,649
Less: Accumulated impairment losses	(26,111,648)	(26,111,648)
	160,060,001	160,060,001

- (a) Investments in subsidiaries are measured at cost. Non-controlling interests are measured at the proportionate share of the net assets of subsidiaries, unless another measurement basis is required by FRSs.
- (b) The management has assessed whether there were any indicators of impairment in the subsidiaries during the financial year. In doing this, management considered the current environments and performance of the affected subsidiaries. Management has considered the losses in certain subsidiaries in the current financial year as impairment indicators.

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

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

Name of Company	Country of Incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiaries		
		2018 %	2017 %	2018 %	2017 %	
Continuous Network Advisers Sdn Bhd (CNA)	Malaysia	100	100	-	-	Investment holding
Man Yau Holdings Berhad (MYHB)	Malaysia	100	100	-	-	Investment holding activities
Omesti Holdings Berhad (OHB)	Malaysia	100	100	-	-	Investment holding activities
Continuous Network Services Sdn Bhd (CNS)	Malaysia	100	100	-	-	Provision of corporate secretarial, accounting and payroll services
Formis Research and Development Sdn Bhd (FRDEV)	Malaysia	100	100	-	-	Development of application software, system integration services and the provision of hardware and software maintenance services

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Name of Company	Country of Incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiaries		
		2018	2017	2018	2017	
		%	%	%	%	
Subsidiaries of CNA						
Yakimbi Sdn Bhd (Yakimbi)	Malaysia	-	-	94.4	94.4	Inactive
*Bancore Asia Pte Ltd (BAP)	Republic of Singapore	-	-	66.7	66.7	Distributing, marketing, implementing and maintaining financial technology software in Asia Pacific region
MYATM Sdn Bhd (MYATM)	Malaysia	-	-	89.7	89.7	Manufacturing, trading and servicing of banking equipment and providing outsource related services
Chelsea Apps Factory Bangsar Sdn Bhd (CAFB)	Malaysia	-	-	80	80	Dormant
*Formis Labs Singapore Pte Ltd (FLS)	Republic of Singapore	-	-	100	100	Distributing and marketing online video surveillance and analytics services
*Omesti Innovation Lab Singapore Pte Ltd	Republic of Singapore	-	-	100	100	Dormant
Fiber At Home City Networks Sdn Bhd (FIBER)	Malaysia	-	-	87.5	66.7	Spearheading of information communication technology development in the areas of infrastructure, content and application and trading of computer equipment
Omesti Actify Sdn Bhd (OAS)	Malaysia	-	-	100	100	Distribution, marketing, implementing and maintenance of accounting, inventory and goods and services tax accounting software to small and medium sized enterprise in Malaysia
Omesti Pay Sdn Bhd (OPSB)	Malaysia	-	-	100	100	Development of information technology and software development on e-payment and remittance of funds and other related services

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Name of Company	Country of Incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiaries		
		2018	2017	2018	2017	
		%	%	%	%	
Subsidiary of Yakimbi						
Yakimbi ICT Sdn Bhd (Yakimbi ICT)	Malaysia	-	-	100	100	Design and development of website and software, and provision of maintenance services and other related services
Subsidiaries of BAP						
Bancore Sdn Bhd (BANCORE)	Malaysia	-	-	100	100	Inactive
#Bancore Vietnam Company Limited (Bancore-V)	Socialist Republic of Vietnam	-	-	100	100	Consulting services, software implementation services, data processing services, database services and maintenance services
Subsidiaries of MYHB						
Omesti Assist Sdn Bhd (OASB) (formerly known as Nostalgic Properties Sdn Bhd (NPSB))	Malaysia	-	-	100	100	Investment holding and development of application software, system integration services and the provision of hardware and software maintenance services
Formis e Solutions Sdn Bhd (FES)	Malaysia	-	-	100	100	Inactive
Formis Software & Technologies Sdn Bhd (FSTECH)	Malaysia	-	-	100	100	Development of application software, system integration services and the provision of hardware and software maintenance services
Channel Legacy Sdn Bhd (CLSB)	Malaysia	-	-	60	60	Dormant

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Name of Company	Country of Incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiaries		
		2018	2017	2018	2017	
		%	%	%	%	
Subsidiary of OASB						
(formerly known as NPSB)						
†PDAC Formis Sdn Bhd (PDAC)	Brunei	-	-	70	70	Dormant
Subsidiaries of OHB						
Formis Network Services Sdn Bhd (FNS)	Malaysia	-	-	51	51	Provision of information technology services in terms of hardware, software, consultancy and maintenance to telecommunication, oil and gas and government sectors
Com-Line Systems Sdn Bhd (CLS)	Malaysia	-	-	85	85	Development of standard application packages and the provision of turnkey solution development services
Diversified Gateway Solutions Berhad (DGSB)	Malaysia	-	-	-*	54.5	Investment holding
^ Microlink Solutions Berhad (Microlink)	Malaysia	-	-	59.3	58.0	Investment holding and provision of research and development on information technology solutions to the financial services industry
Formis Media Teknologi Sdn Bhd (FMT)	Malaysia	-	-	65	65	Dormant
# PT Formis Solusi Indonesia (PTFSI)	Republic of Indonesia	-	-	100	100	Dormant
Formis International Limited (FIL)	Federal Territory of Labuan	-	-	100	100	Dormant

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Name of Company	Country of Incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiaries		
		2018 %	2017 %	2018 %	2017 %	
Subsidiaries of OHB (cont'd.)						
Ohana Communications Sdn Bhd (OCS)	Malaysia	-	-	100	100	Provision of network connectivity and bandwidth services in Malaysia and project management services in relation to telecommunications
Formis Automation Sdn Bhd (FASB)	Malaysia	-	-	100	100	Automation, installation and maintenance of computer hardware and software and other automated related projects
Next Intelligent Sdn Bhd (NISB)	Malaysia	-	-	100	-	Dormant
Prima Arenaniaga Sdn Bhd (PASB)	Malaysia	-	-	60	-	Provision of information technology solutions
Subsidiaries of FNS						
Formis Niaga Solusi Sdn Bhd (FNSi)	Malaysia	-	-	100	100	Dormant
Prima Arenaniaga Sdn Bhd (PASB)	Malaysia	-	-	-	60	Provision of information technology solutions
Subsidiary of CLS						
Comline Dotcom Sdn Bhd (CDC)	Malaysia	-	-	100	100	Dormant
Subsidiaries of DGSB						
Diversified Gateway Berhad (DGB)	Malaysia	-	-	-*	100	Provision of computer networking solutions and system integration
ISS Consulting (Malaysia) Sdn Bhd (ISS(M))	Malaysia	-	-	-*	100	Provision of computer networking and digital media solutions and services

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Name of Company	Country of Incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiaries		
		2018 %	2017 %	2018 %	2017 %	
Subsidiaries of DGSB (cont'd).						
Cogent Consulting Sdn Bhd (COGENT(M))	Malaysia	-	-	-*	70	Dormant
Rangkaian Ringkas Sdn Bhd (RRSB)	Malaysia	-	-	-*	100	Distribution and maintenance of computer networking, network security, storage and network management solutions
# ISS Consulting (Thailand) Ltd (ISS(T))	Thailand	-	-	-*	100	Advisers and consultants for computer software solutions
† ISS Consulting (S) Pte Ltd (ISS(S))	Republic of Singapore	-	-	-*	100	Dormant
† Ledge Consulting Pte Ltd (LEDGE)	Republic of Singapore	-	-	-*	100	Dormant
† Cogent Business Solutions (S) Pte Ltd (COGENT(S))	Republic of Singapore	-	-	-*	100	Dormant
† PT ISS Consulting Indonesia (PTISS)	Republic of Indonesia	-	-	-*	100	Dormant
Subsidiaries of Microlink						
CSA Servis (M) Sdn Bhd (CSAS)	Malaysia	-	-	100	100	Investment holding and provision of computer repair and maintenance service, supply of computer parts, accessories, computers and peripherals
Microlink Systems Sdn Bhd (MSSB)	Malaysia	-	-	100	100	Provision of information technology solutions to the financial services industry and dealing in related products

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Name of Company	Country of Incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiaries		
		2018 %	2017 %	2018 %	2017 %	
Subsidiaries of Microlink (cont'd.)						
Microlink Worldwide Sdn Bhd (MWSB) (In Liquidation)	Malaysia	-	-	100	100	In liquidation
CA IT Infrastructure Solutions Sdn Bhd (CAIT)	Malaysia	-	-	100	100	Trading and marketing of computer software programs and products
Microlink Innovation Sdn Bhd (MISB)	Malaysia	-	-	100	100	Provision of research and development for information technology solutions to the financial service industry
Microlink Software Sdn Bhd (MSB)	Malaysia	-	-	51	51	Provision consultancy services in supporting and modifying banking software
Omesti Innovation Lab (Malaysia) Sdn Bhd (OIL)	Malaysia	-	-	100	100	Development of information and multimedia technology and provision of deployment services
*PT Microlink Indonesia (PTMI)	Republic of Indonesia	-	-	100	100	Provision of information technology solutions to the financial services industry and dealing in related products

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

Name of Company	Country of Incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiaries		
		2018 %	2017 %	2018 %	2017 %	
Subsidiaries of CSAS						
Applied Business Systems Sdn Bhd (ABS)	Malaysia	-	-	100	100	Distribution and maintenance of computer hardware and software
Formis Systems & Technology Sdn Bhd (FST)	Malaysia	-	-	100	100	Distribution and maintenance of computer hardware and software
Formis Advanced Systems Sdn Bhd (FAS)	Malaysia	-	-	85	85	Provision of information technology services in terms of hardware, software, consultancy and maintenance
Formis Computer Services Sdn Bhd (FCS)	Malaysia	-	-	100	100	Provision of computer technology and maintenance of computer hardware and software
First Solution Sdn Bhd (FIRST)	Malaysia	-	-	100	100	Distribution and maintenance of computer hardware and software
Subsidiary of MSSB						
† PT Microlink International Maju (PTMIM)	Republic of Indonesia	-	-	65	-	Provision of information technology solutions to the financial services industry and dealing in related products

Subsidiary audited by BDO Member Firm.

† Subsidiaries not audited by BDO.

* The Group holds 15.4% of equity interest in DGSB Group as at 31 March 2018 and accounts for it as an associate company (Note 8).

^ 81,847,893 (2017: 97,052,093) ordinary shares in Microlink with a carrying amount of RM43,495,930 (2017: RM51,258,213) have been pledged for credit facilities granted to the Group as disclosed in Note 21 to the financial statements.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Other details of investments in subsidiaries

(i) Newly incorporated subsidiary

On 1 June 2017, MSSB, a wholly-owned subsidiary of Microlink had subscribed for a total of 162,500 shares representing 65% of the entire issued and paid-up share capital of PTMIM, a company incorporated in the Republic of Indonesia for a total subscription consideration of USD162,500 (equivalent to RM697,283).

(ii) Acquisition of a subsidiary

OHB, a wholly-owned subsidiary of the Company has on 21 February 2018 acquired one (1) ordinary share in NISB, a company incorporated in Malaysia that remained dormant, representing 100% of the equity interest for a total cash consideration of RM1. Following the acquisition, NISB becomes a wholly-owned subsidiary of OHB.

(iii) Accretion of equity interest in subsidiaries

- Pursuant to the Subscription Agreement dated 1 September 2016 in respect of Redeemable Convertible Preference Shares (RCPS) in FIBER for the subscription of 2,500,000 RCPS in FIBER and Subscription Agreement dated 31 January 2017 in respect of RCPS for the subscription of 2,000,000 RCPS-B in FIBER, CNA, a wholly-owned subsidiary of the Company has on 19 October 2017, converted both 2,500,000 RCPS and 2,000,000 RCPS-B into ordinary shares in FIBER. Following the conversions, CNA now holds a total of 6,300,000 ordinary shares in FIBER, representing 87.5% equity interest in FIBER. CNA has on 31 October 2017 entered into another Subscription Agreement in respect of RCPS in FIBER for the subscription of 7,500,000 RCPS-C in FIBER.
- During the financial year, OHB, a wholly-owned subsidiary of the Company, acquired 2,169,700 ordinary shares in Microlink, a 58.0% owned subsidiary of OHB, representing 1.3% of the total issued and paid-up share capital of Microlink for a total cash consideration of RM1,470,624. Following the acquisition, OHB now holds 59.3% equity interest in Microlink.

(iv) Disposal of interest in a subsidiary

During the financial year, OHB, a wholly-owned subsidiary of the Company, disposed of a total of 239,332,292 ordinary shares in DGSB representing 17.7% of the equity interest in DGSB, in the open market for a total cash consideration of RM16,331,384, and a total of 290,000,000 ordinary shares in DGSB representing 21.4% of the equity interest in DGSB to Insas Technology Berhad (ITB), Dato' Dr Tan Seng Chuan and Dato' Wong Gian Kui for a total cash consideration of RM13,775,000. Following all the disposals, OHB now holds 15.4% equity interests in DGSB. Consequently, with the increased involvement of ITB over the operations and direction of DGSB, DGSB ceased to be a subsidiary of the Company. The net assets of subsidiary disposed is disclosed below.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

(iv) Disposal of interest in a subsidiary (cont'd.)

The value of assets and liabilities of DGSB recorded in the consolidated financial statement as at the date of disposal of 7 March 2018 are as follows:

	RM
Property, plant and equipment (Note 12)	3,894,880
Deferred tax assets (Note 11)	3,486,079
Trade receivables	37,902,475
Goodwill on consolidation (Note 5)	5,737,705
Inventories	3,084,644
Amount due from related companies	2,236,854
Other receivables, deposits and prepayments	14,140,941
Current tax assets	6,058,527
Cash and bank balances	19,798,904
Trade payables	(10,121,362)
Other payables, deposits and accruals	(19,689,714)
Amount due to holding company	(9,013,345)
Amount due to related companies	(1,957,623)
Borrowings	(6,565,301)
Provisions (Note 30)	(1,379,180)
Net assets	47,614,484
Non-controlling interest	(87,185)
	47,527,299
Capitalised as investment in associate company	(20,915,770)
Loss on disposal of a subsidiary company	(17,555,831)
Non-controlling interest recognised at subsidiary company level	(39,159,810)
Goodwill written-off (Note 5)	32,041,856
	1,937,744
Cash balances of a subsidiary company disposed	(13,451,026)
Net cash outflow from disposal of subsidiary company	(11,513,282)

(v) Internal reorganisation

OHB has on 1 March 2018, acquired 6,000 ordinary shares representing 60% of the total issued and paid-up share capital PASB from FNS, a 51% owned subsidiary of OHB for a total cash consideration of RM6,000. Following the internal reorganisation, PASB becomes a direct 60% owned subsidiary of OHB.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

	MYATM	YAKIMBI	FIBER	CLS	MICROLINK	DGSB	FNS	Other individually immaterial subsidiaries	Total
2018									
NCI percentage of ownership interest and voting interest (%)	10.3	5.6	12.5	15.0	40.7	-	49.0	-	-
Carrying amount of NCI (RM)	42,893	(17,769)	(1,983,474)	487,120	13,000,330	-	4,534,411	(3,025,463)	13,088,048
(Loss)/Profit allocated to NCI (RM)	181,827	1,860	(2,583,901)	(2,240)	(20,288,767)	2,180,033	1,345,335	(1,615,664)	(20,781,517)
2017									
NCI percentage of ownership interest and voting interest (%)	10.3	5.6	33.3	15.0	42.0	45.5	49.0	-	-
Carrying amount of NCI (RM)	(138,934)	(19,629)	(2,457,903)	489,360	34,339,919	20,251,533	3,199,644	(2,248,846)	53,415,144
(Loss)/Profit allocated to NCI (RM)	(426,003)	1,970	(2,038,884)	25,313	293,212	191,834	616,867	(1,503,068)	(2,838,759)

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

2018	MYATM RM	YAKIMBI RM	FIBER RM	CLS RM	MICROLINK RM	DGSB RM	FNS RM
Assets and liabilities							
Non-current assets	392,108	6,910	1,720,439	511	29,114,619	-	9,604,365
Current assets	757,203	42,248	2,165,284	3,278,302	116,211,645	-	61,267,156
Non-current liabilities	-	-	(76,963)	-	(32,160,943)	-	(10,673,790)
Current liabilities	(733,248)	(369,005)	(11,776,553)	(31,345)	(82,494,392)	-	(50,943,831)
Net assets/(liabilities)	416,063	(319,847)	(7,967,793)	3,247,468	30,670,929	-	9,253,900
Results							
Revenue	539,513	102,900	2,778,129	-	206,043,313	73,260,846	75,413,871
Profit/(Loss) for the financial year	1,763,724	33,477	(15,094,085)	(14,935)	(50,606,144)	2,923,299	2,713,283
Total comprehensive income/(loss)	1,763,724	33,477	(15,094,085)	(14,935)	(57,352,472)	3,053,010	2,713,283
Cash flows from/(used in) operating activities	100,409	20,386	(2,633,422)	(12,630)	(7,697,964)	(1,835,291)	8,198,414
Cash flows (used in)/from investing activities	(120,650)	-	1,133,991	-	(1,724,898)	589,363	(2,796,955)
Cash flows from/(used in) financing activities	13,300	-	1,551,379	-	2,425,052	(419,387)	(15,644,802)
Net (decrease)/increase in cash and cash equivalents	(6,941)	20,386	51,948	(12,630)	(6,997,810)	(1,665,315)	(10,243,343)

7. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

2017	MYATM RM	YAKIMBI RM	FIBER RM	CLS RM	MICROLINK RM	DGSB RM	FNS RM
Assets and liabilities							
Non-current assets	9,165,506	20,069	9,590,951	661	69,139,764	20,346,892	28,014,363
Current assets	728,745	21,862	4,473,679	3,283,598	117,994,636	65,101,839	75,335,257
Non-current liabilities	(137,820)	-	(2,695,178)	-	(28,636,002)	(2,143,827)	(18,403,640)
Current liabilities	(11,104,091)	(395,255)	(13,760,698)	(21,856)	(78,911,353)	(38,740,097)	(78,438,239)
Net (liabilities)/assets	(1,347,660)	(353,324)	(2,391,246)	3,262,403	79,527,045	44,564,807	6,507,741
Results							
Revenue	486,032	96,750	6,265,532	-	252,208,909	74,160,042	95,402,256
(Loss)/Profit for the financial year	(1,790,245)	35,459	(6,034,471)	168,756	771,886	429,637	1,232,569
Total comprehensive (loss)/income	(1,790,245)	35,459	(6,034,471)	168,756	763,016	1,304,608	1,232,569
Cash flows (used in)/from operating activities	(750,828)	16,962	(5,021,098)	(24,299)	7,868,854	8,266,774	3,043,451
Cash flows from/(used in) investing activities	1,673,069	(104,183)	(614,730)	(704,661)	(32,880,972)	3,088,685	5,108,549
Cash flows (used in)/from financing activities	(884,667)	-	6,798,552	-	20,281,358	(633,294)	(7,395,128)
Net increase/(decrease) in cash and cash equivalents	37,574	(87,221)	1,162,724	(728,960)	(4,730,760)	10,722,165	756,872

8. INVESTMENTS IN ASSOCIATES

	2018 RM	Group 2017 RM
Quoted equity shares in Malaysia		
Cost	55,798,171	36,497,404
Less: Accumulated impairment losses	(2,091,577)	-
Carrying amount	53,706,594	36,497,404
Unquoted equity shares in Malaysia		
Cost	3,300,000	3,300,000
Less: Accumulated impairment losses	(1,650,000)	-
Carrying amount	1,650,000	3,300,000
Share of post-acquisition results, net of tax	47,768,120	45,883,510
	103,124,714	85,680,914
Market value:		
Quoted equity shares in Malaysia	40,703,418	40,321,158

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

Name of Company	Country of incorporation	Interest in equity held by				Principal Activities
		Company		Subsidiary		
		2018 %	2017 %	2018 %	2017 %	
# @ Ho Hup Construction Company Berhad (Ho Hup)	Malaysia	-	-	13.3	13.9	Foundation engineering, civil engineering, building contracting works and hire of plant and machinery
MIHCM Asia Sdn Bhd (MIHCM)	Malaysia	-	-	33.3	33.3	Distribution, marketing, implementing and maintenance and of human capital management software solutions and services in Asia.
^ Diversified Gateway Solutions Berhad (DGSB)	Malaysia	-	-	15.4	-	Investment holding

8. INVESTMENTS IN ASSOCIATES (CONT'D.)

(b) Details of the associates are as follows: (cont'd.)

© 49,725,100 (2017: 52,027,300) ordinary shares with a carrying amount of RM34,882,400 (2017: RM36,497,404) have been pledged for credit facilities granted to the Group as disclosed in Note 21 to the financial statements.

^ 209,157,709 (2017: 728,282,401) ordinary shares in DGSB with a carrying amount of RM18,824,194 (2017: RM53,440,843) have been pledged for credit facilities granted to the Group as disclosed in Note 21 to the financial statements.

This associate has a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associate for the financial year ended 31 December 2017 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2018 and 31 March 2018.

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

	Ho Hup RM	MIHCM RM	DGSB RM	Total RM
2018				
Share of net assets of the Group	47,674,770	800,806	26,746,574	75,222,150
Share of other reserve	(3,801,568)	-	(20,300,246)	(24,101,814)
Goodwill	40,511,749	-	11,492,629	52,004,378
Carrying amount in the statement of financial position	84,384,951	800,806	17,938,957	103,124,714
Share of results of the Group for the financial year ended 31 March 2018				
Share of profit/(loss) of the Group	5,073,848	(148,643)	(871,040)	4,054,165
Share of other comprehensive loss of the Group, net of tax	(141,042)	-	(14,196)	(155,238)
Share of total comprehensive income/(loss) of the Group	4,932,806	(148,643)	(885,236)	3,898,927

8. INVESTMENTS IN ASSOCIATES (CONT'D.)

- (c) Reconciliation of net assets of the associates to the carrying amount of investments in associates is as follows: (cont'd.)

	Ho Hup RM	MIHCM RM	Total RM
2017			
Share of net assets of the Group	46,412,494	2,599,450	49,011,944
Share of other reserve	(3,842,779)	-	(3,842,779)
Goodwill	40,511,749	-	40,511,749
Carrying amount in the statements of financial position	83,081,464	2,599,450	85,680,914
Share of results of the Group for the financial year ended 31 March 2017			
Share of profit/(loss) of the Group	8,696,565	(187,153)	8,509,412
Share of other comprehensive loss of the Group, net of tax	(155,244)	-	(155,244)
Share of total comprehensive income/(loss) of the Group	8,541,321	(187,153)	8,354,168

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

	Ho Hup RM	MIHCM RM	Total RM
2018			
Assets and liabilities			
Non-current assets	288,135,321	4,155	24,964,962
Current assets	639,334,186	1,129,637	63,150,680
Non-current liabilities	(190,996,239)	-	(4,330,604)
Current liabilities	(378,816,255)	(402,098)	(41,909,284)
Net assets/(liabilities)	357,657,013	731,694	41,875,754
Results			
Revenue	202,628,000	503,418	10,653,808
Profit/(Loss) for the financial year	34,816,000	(445,929)	(5,646,703)
Total comprehensive income/(loss)	35,048,000	(445,929)	(5,738,596)
Cash flows (used in)/from operating activities	(30,174,000)	1,921	4,373,764
Cash flows used in investing activities	(36,350,000)	-	(61,333)
Cash flows from/(used in) financing activities	71,834,000	(2,027)	30,459
Net increase/(decrease) in cash and cash equivalents	5,310,000	(106)	4,342,890

8. INVESTMENTS IN ASSOCIATES (CONT'D.)

(d) Summarised financial information of the associates are as follows: (cont'd.)

	Ho Hup RM	MIHCM RM
2017		
Assets and liabilities		
Non-current assets	239,922,563	7,046
Current assets	454,166,965	1,508,344
Non-current liabilities	(91,824,212)	-
Current liabilities	(279,717,882)	(337,766)
Net assets	322,547,434	1,177,624
Results		
Revenue	198,317,724	335,536
Profit/(Loss) for the financial year	59,164,506	(561,460)
Total comprehensive income/(loss)	58,108,349	(561,460)
Cash flows used in operating activities	(8,270,000)	(465,784)
Cash flows (used in)/from investing activities	(51,232,000)	341,025
Cash flows from financing activities	69,312,000	-
Net increase/(decrease) in cash and cash equivalents	9,810,000	(124,759)

(e) Dilution of equity interest in an associate

During the financial year, OHB disposed of a total of 2,302,200 ordinary shares in Ho Hup representing 0.6% of the equity interest in Ho Hup, in the open market for a total cash consideration of RM1,653,129. Following the disposal, OHB now holds 13.3% equity interest in Ho Hup.

(f) Significant influence – Interest in Ho Hup and DGSB

As at 31 March 2018, the Group holds a 13.3% and a 15.4% interest in Ho Hup and DGSB respectively.

The Group has 2 representations on the Board of Directors of Ho Hup, and 3 representations on the Board of Directors of DGSB, who are able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

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

8. INVESTMENTS IN ASSOCIATES (CONT'D.)

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

	2018 RM	Group 2017 RM
As at 1 April 2017/2016	-	-
Impairment losses charged during the financial year		
Quoted equity shares in Malaysia	2,091,577	-
Unquoted equity shares in Malaysia	1,650,000	-
As at 31 March 2018/2017	3,741,577	-

9. OTHER INVESTMENTS

	2018 RM	Group 2017 RM	Company 2018 RM	2017 RM
Non-current				
Investments at costs				
- Unquoted shares in Malaysia, Denmark and United States of America				
Cost	28,269,729	28,269,729	29,090,890	29,090,890
Less: Accumulated impairment losses	(26,669,729)	-	(29,090,890)	-
Carrying amount	1,600,000	28,269,729	-	29,090,890
Financial assets at fair value through profit or loss				
- Quoted warrants in Malaysia	225,005	4,045,126	-	-
- Quoted shares in Malaysia	479	995	-	-
- Transferable club memberships	105,000	105,000	-	-
	330,484	4,151,121	-	-
Total non-current other investments	1,930,484	32,420,850	-	29,090,890
Current				
Financial assets at fair value through profit or loss				
- Quoted income funds in Malaysia	103,077	119,989	-	-
Total current other investments	103,077	119,989	-	-
Total other investments	2,033,561	32,540,839	-	29,090,890

9. OTHER INVESTMENTS (CONT'D.)

- (a) Regular way purchase or sale of financial assets are recognised using trade date accounting.
- (b) Net fair value loss of RM1,570,602 (2017: RM1,444,865) was recognised during the financial year due to the decline in market value of quoted warrants and shares. The fair value was determined based on the last transacted price on 30 March 2018.
- (c) Quoted warrants are pledged as security for credit facilities disclosed in Note 21 to the financial statements.
- (d) The fair value of the unquoted shares in Malaysia, Denmark and United States of America cannot be reliably measured.
- (e) Fair value hierarchy

Group	Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2018						
Financial assets at fair value through profit or loss						
- Quoted shares and warrants	225,484	-	-	225,484	225,484	225,484
- Quoted income funds	103,077	-	-	103,077	103,077	103,077
- Transferable golf club memberships	-	-	105,000	105,000	105,000	105,000
2017						
Financial assets at fair value through profit or loss						
- Quoted shares and warrants	4,046,121	-	-	4,046,121	4,046,121	4,046,121
- Quoted income funds	119,989	-	-	119,989	119,989	119,989
- Transferable golf club memberships	-	-	105,000	105,000	105,000	105,000

9. OTHER INVESTMENTS (CONT'D.)

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
As at 1 April 2017/2016	-	-	-	-
Impairment losses charged during the financial year	26,669,729	-	29,090,890	-
As at 31 March 2018/2017	26,669,729	-	29,090,890	-

(g) The valuation technique and significant unobservable input used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below.

Financial asset	Valuation technique used	Significant unobservable input	Inter-relationship between key unobservable inputs and fair value
Transferable golf club memberships	Cost approach	Counter party quotation	The higher the quotation, the higher the fair value of the other investment

10. OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-current assets				
Other receivables	9,278,502	16,641,574	16,685,110	18,009,691
Current assets				
Other receivables	34,002,535	52,372,829	4,813,306	10,294,325
Less: Impairment losses	(5,778,808)	(3,150,579)	(4,758,070)	(2,629,841)
	28,223,727	49,222,250	55,236	7,664,484
Staff loan	-	2,000	-	-
Deposits	3,038,122	5,396,500	100,847	83,682
Prepayments	19,466,329	23,295,026	789,678	7,770
	50,728,178	77,915,776	945,761	7,755,936

(a) Other receivables and deposits are classified as loans and receivables, and measured at amortised cost using the effective interest method.

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

- (b) Included in other receivables are prepaid lease rental for equipment leases, which would be recognised in profit or loss as follows:

	2018 RM	Group 2017 RM
Not later than 1 year	12,670,939	16,578,069
Later than 1 year and not later than five years	9,278,502	16,641,574
	<u>21,949,441</u>	<u>33,219,643</u>

- (c) The currency exposure profile of other receivables and deposits are as follows:

	2018 RM	Group 2017 RM	2018 RM	Company 2017 RM
Ringgit Malaysia	40,209,594	66,853,588	16,841,193	25,757,857
Thai Baht	-	3,214,072	-	-
Singapore Dollar	108,751	244,418	-	-
Indonesian Rupiah	52,656	778,024	-	-
Vietnamese Dong	23,275	26,147	-	-
US Dollar	146,075	146,075	-	-
	<u>40,540,351</u>	<u>71,262,324</u>	<u>16,841,193</u>	<u>25,757,857</u>

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

	2018 RM	Group 2017 RM
Effects of 10% changes to RM against foreign currencies		
(Loss)/Profit after tax	±25,000	±325,000

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

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
As at 1 April 2017/2016	3,150,579	520,738	2,629,841	-
Impairment losses charged during the financial year	2,628,229	2,629,841	2,128,229	2,629,841
As at 31 March 2018/2017	5,778,808	3,150,579	4,758,070	2,629,841

Other receivables that are individually determined to be impaired at the end of the reporting period relate to those receivables that exhibit significant financial difficulties and have defaulted on payments. These other receivables are not secured by any collateral or credit enhancements.

11. DEFERRED TAX

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
As at 1 April 2017/2016	(5,907,923)	(3,669,679)	-	-
Recognised in profit or loss (Note 28)	(1,986,825)	(2,048,616)	-	-
Disposal of a subsidiary (Note 7)	3,486,079	-	-	-
Translation adjustments	-	(189,628)	-	-
As at 31 March 2018/2017	(4,408,669)	(5,907,923)	-	-
Presented after appropriate offsetting:				
Deferred tax assets, net	(4,553,396)	(6,705,076)	-	-
Deferred tax liabilities, net	144,727	797,153	-	-
	(4,408,669)	(5,907,923)	-	-

11. DEFERRED TAX (CONT'D.)

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Deferred tax assets				
As at 1 April 2017/2016	6,705,076	4,759,898	34,510	68,577
Recognised in profit or loss:				
Unused tax losses	277,393	8,926	-	-
Unabsorbed capital allowances	(2,420)	5,515	-	-
Provisions	1,711,852	1,930,737	(17,249)	(34,067)
Disposal of a subsidiary	(4,138,505)	-	-	-
As at 31 March 2018/2017	4,553,396	6,705,076	17,261	34,510
Deferred tax liabilities				
As at 1 April 2017/2016	797,153	1,090,219	34,510	68,577
Recognised in profit or loss:				
Property, plant and equipment	-	390,940	(17,249)	(34,067)
Software development costs	-	(684,006)	-	-
Disposal of a subsidiary	(652,426)	-	-	-
As at 31 March 2018/2017	144,727	797,153	17,261	34,510

11. DEFERRED TAX (CONT'D.)

(c) Components of deferred tax as at the end of the reporting period comprise tax effect of:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Deferred tax assets				
Unused tax losses	1,338,070	4,500,522	-	-
Unabsorbed capital allowances	84,348	86,768	-	-
Provisions	3,130,978	2,117,786	17,261	34,510
	4,553,396	6,705,076	17,261	34,510
Deferred tax liabilities				
Property, plant and equipment	2,930	655,356	17,261	34,510
Software development costs	141,797	141,797	-	-
	144,727	797,153	17,261	34,510

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unutilised tax losses	163,901,462	196,641,262	14,010,658	10,347,769
Unabsorbed capital allowances	9,331,683	10,088,275	-	-
Provisions	4,274,576	6,652,406	(61,923)	(151,044)
	177,507,721	213,381,943	13,948,735	10,196,725

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

The deductible temporary differences do not expire under current tax legislation.

12. PROPERTY, PLANT & EQUIPMENT

Group 2018	Balance as at 1.4.2017 RM	Additions RM	Reclassification RM	Written off RM	Disposals RM	Disposal of a subsidiary (Note 7) RM	Impairment losses RM	Depreciation charge for the financial year RM	Translation adjustments RM	Balance as at 31.3.2018 RM
Carrying amount										
Computer equipment and software	3,052,103	567,798	32,711	(1,377)	(7,465)	(63,118)	(134,862)	(2,774,626)	214,743	885,902
Office equipment, furniture, fittings and renovation	5,851,699	112,991	674,162	(133,654)	-	(3,798,459)	(80,384)	(1,267,008)	12,753	1,372,100
Motor vehicles	296,201	925,000	-	-	(95,899)	(33,303)	-	(321,332)	-	770,667
Work-in-progress	22,518,322	3,330,497	(706,873)	-	-	-	(16,334,064)	-	-	8,807,882
	31,718,325	4,936,281	-	(135,031)	(103,364)	(3,894,880)	(16,549,310)	(4,362,966)	227,496	11,836,551

	Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Computer equipment and software	15,028,707	(14,007,943)	(134,862)	885,902
Office equipment, furniture, fittings and renovation	7,749,632	(6,297,148)	(80,384)	1,372,100
Motor vehicles	2,081,150	(1,310,483)	-	770,667
Work-in-progress	25,523,196	-	(16,715,314)	8,807,882
	50,382,685	(21,615,574)	(16,930,560)	11,836,551

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

Group 2017	Balance as at 1.4.2016 RM	Additions RM	Reclassification RM	Written off RM	Disposals RM	Depreciation charge for the financial year RM	Translation adjustments RM	Balance as at 31.3.2017 RM
Carrying amount								
Computer equipment and software	3,575,251	1,202,858	204,459	(25,074)	(45,513)	(1,904,562)	44,684	3,052,103
Office equipment, furniture, fittings and renovation	6,384,612	1,096,422	917,142	(152,115)	(32,338)	(2,367,321)	5,297	5,851,699
Motor vehicles	594,457	-	-	-	-	(298,256)	-	296,201
Work-in-progress	13,412,908	10,265,015	(1,121,601)	(38,000)	-	-	-	22,518,322
	23,967,228	12,564,295	-	(215,189)	(77,851)	(4,570,139)	49,981	31,718,325

	Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Computer equipment and software	18,236,859	(15,184,756)	-	3,052,103
Office equipment, furniture, fittings and renovation	16,702,631	(10,850,932)	-	5,851,699
Motor vehicles	2,815,287	(2,519,086)	-	296,201
Work-in-progress	22,899,572	-	(381,250)	22,518,322
	60,654,349	(28,554,774)	(381,250)	31,718,325

12. PROPERTY PLANT & EQUIPMENT (CONT'D.)

Company 2018	Balance as at 1.4.2017 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2018 RM
Carrying amount				
Computer equipment and software	76,066	318	(42,329)	34,055
Office equipment, furniture and fittings	695,132	1,850	(210,545)	486,437
	771,198	2,168	(252,874)	520,492

	As at 31.3.2018		Carrying amount RM
	Cost RM	Accumulated depreciation RM	
Computer equipment and software	328,876	(294,821)	34,055
Office equipment, furniture and fittings	1,676,158	(1,189,721)	486,437
	2,005,034	(1,484,542)	520,492

Company 2017	Balance as at 1.4.2016 RM	Additions RM	Disposals RM	Depreciation charge for the financial year RM	Balance as at 31.3.2017 RM
Carrying amount					
Computer equipment and software	112,756	9,611	(3,013)	(43,288)	76,066
Office equipment, furniture and fittings	909,810	9,350	(11,400)	(212,628)	695,132
Motor vehicles	11,191	-	-	(11,191)	-
	1,033,757	18,961	(14,413)	(267,107)	771,198

	As at 31.3.2017		Carrying amount RM
	Cost RM	Accumulated depreciation RM	
Computer equipment and software	328,558	(252,492)	76,066
Office equipment, furniture and fittings	1,674,308	(979,176)	695,132
Motor vehicles	430,000	(430,000)	-
	2,432,866	(1,661,668)	771,198

12. PROPERTY PLANT & EQUIPMENT (CONT'D.)

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

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

Capital work-in-progress represents equipment in progress.

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Purchase of property, plant and equipment	4,936,281	12,564,295	2,168	18,961
Financed by hire purchase and lease arrangements	(713,000)	-	-	-
Cash payments on purchase of property, plant and equipment	4,223,281	12,564,295	2,168	18,961

- (d) Included in property, plant and equipment of the Group are assets acquired under hire purchase and lease arrangements with a carrying amount of RM713,000 (2017: RM1,808,686).
- (e) Management impaired property, plant and equipment of the Group amounted to RM16,549,310 (2017: Nil) during the financial year because the Directors do not anticipate any future economic benefits associated with these property, plant and equipment.

13. INVENTORIES

	Group	
	2018 RM	2017 RM
At cost		
Hardware and software	38,899,251	21,448,326
Hardware maintenance parts and spares	103,597	362,548
	39,002,848	21,810,874

13. INVENTORIES (CONT'D.)

- (a) Cost of computer hardware, software and spare parts are determined on a specific identification basis whilst costs of other inventories are determined on the first-in, first-out basis.
- (b) Cost of inventories of the Group recognised as an expense during the financial year amounted to RM240,865,072 (2017: RM303,380,650). The amount of inventories written off recognised as expenses during the financial year amounted to RM3,115,606 (2017: RM Nil).

14. TRADE RECEIVABLES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-current assets				
Trade receivables	-	6,272,463	-	-
Current assets				
Trade receivables	69,369,424	85,686,866	4,338	4,880
Less: Impairment losses	(9,040,097)	(675,714)	-	-
	60,329,327	85,011,152	4,338	4,880
Amount owing by associates	359,718	-	142,598	-
	60,698,045	91,283,615	146,936	4,880

- (a) Trade receivables are classified as loans and receivables, and measured at amortised cost using the effective interest method.
- (b) Trade credit terms of trade receivables granted by the Group and the Company range from 30 to 90 days (2017: 30 to 90 days) from date of invoice. They are recognised at their original amounts, which represent their fair values on initial recognition.
- (c) The currency exposure profile of trade receivables are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Ringgit Malaysia	60,600,478	77,788,164	146,936	4,880
Thai Baht	-	13,171,169	-	-
US Dollar	2,486	2,486	-	-
Brunei Dollar	79,170	79,170	-	-
Singapore Dollar	15,911	242,626	-	-
	60,698,045	91,283,615	146,936	4,880

14. TRADE RECEIVABLES (CONT'D.)

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

	2018 RM	Group 2017 RM
Effects of 10% changes to RM against foreign currencies		
(Loss)/Profit after tax	+7,000	+1,025,000

- (e) Ageing analysis of trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Neither past due nor impaired	32,685,861	46,935,006	1,410	1,302
Past due, but not impaired				
31 to 60 days	6,264,513	14,218,800	1,518	108
61 to 90 days	9,128,560	5,533,171	1,410	434
91 to 120 days	1,870,906	4,861,658	-	-
121 to 150 days	1,112,362	1,817,000	-	976
151 to 180 days	2,648,724	1,118,887	-	2,060
More than 180 days	6,978,119	16,799,093	142,598	-
	28,003,184	44,348,609	145,526	3,578
Past due and impaired	9,040,097	675,714	-	-
	69,729,142	91,959,329	146,936	4,880

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group and the Company. Majority of the trade receivables of the Group arise from recurring business with the Group and the Company.

None of the trade receivables of the Group and of the Company that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

At the end of the reporting period, majority of the trade receivables of the Group and of the Company are active corporate customers with healthy business relationship, in which the management is of the view that the amounts are recoverable based on payments history. The trade receivables of the Group and of the Company that are past due but not impaired are unsecured in nature.

14. TRADE RECEIVABLES (CONT'D.)

(e) Ageing analysis of trade receivables of the Group and of the Company are as follows: (cont'd.)

Receivables that are past due and individually impaired

Trade receivables of the Group that are past due and individually impaired at the end of the reporting period are as follows:

Group	2018 RM	2017 RM
Trade receivables, gross	9,040,097	675,714
Less: Impairment losses	(9,040,097)	(675,714)
	-	-

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

	Group	
	2018 RM	2017 RM
As at 1 April 2017/2016	675,714	984,221
Charged during the financial year	8,708,275	1,170,252
Written off	(513)	(456,648)
No longer required	(29,379)	(261,987)
Disposal of a subsidiary	(248,383)	-
Exchange differences	(65,617)	(760,124)
As at 31 March 2018/2017	9,040,097	675,714

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivables, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment considered by management when making a judgment to evaluate the adequacy of impairment of receivables, include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those receivables that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

14. TRADE RECEIVABLES (CONT'D.)

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

	<----- Group ----->			
	2018		2017	
	RM	% of total	RM	% of total
By country				
Malaysia	60,682,134	99%	77,869,820	85%
Singapore	15,911	1%	242,626	1%
Thailand	-	-	13,171,169	14%
	60,698,045	100%	91,283,615	100%

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

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2018 RM	2017 RM
Amounts owing by subsidiaries	81,754,958	85,486,139
Less: Impairment losses	(2,563,925)	(2,563,925)
	79,191,033	82,922,214

- (a) Amounts owing by/(to) subsidiaries are classified as loans and receivables and other financial liabilities respectively, and measured at amortised cost using the effective interest method.
- (b) Amounts owing by/(to) subsidiaries represent payments made on behalf, which are unsecured, interest-free and collectible/payable on demand in cash and cash equivalents.
- (c) Amounts owing by/(to) subsidiaries of the Company are denominated in RM.
- (d) Movement of accumulated impairment loss is as follows:

	Company	
	2018 RM	2017 RM
As at 1 April 2017/2016	2,563,925	2,563,925
Charged during the financial year	-	-
As at 31 March 2018/2017	2,563,925	2,563,925

16. AMOUNTS OWING BY/(TO) ASSOCIATES

- (a) Amounts owing by/(to) associates are classified as loans and receivables and other financial liabilities respectively, and measured at amortised cost using the effective interest method.
- (b) Amounts owing by/(to) associates represent payments made on behalf, which are unsecured, interest-free and collectible/payable on demand in cash and cash equivalents.
- (c) Amounts owing by/(to) associates are denominated in RM.

17. CASH & BANK BALANCES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	11,336,993	26,414,439	70,724	34,751
Fixed deposits	18,361,146	25,778,415	1,040	1,010
Short term money market deposits	10,678,497	21,195,886	-	411,685
	40,376,636	73,388,740	71,764	447,446

- (a) Deposits with licensed banks of the Group amounting to RM14,559,147 (2017: RM22,740,769) are pledged to licensed banks for credit facilities granted to the Company and certain subsidiaries (Note 21 to the financial statements).
- (b) Fixed deposits and short term money market deposits of the Group with a carrying amount of RM18,361,146 (2017: RM25,778,415) and RM10,678,497 (2017: RM21,195,886) are subject to fixed weighted average effective interest rates of 2.47% (2017: 2.96%) and 2.86% (2017: 2.63%) respectively.
- (c) In the previous financial year, short term money market deposits of the Company with a carrying amount of RM411,685 were subject to fixed weighted average effective interest rates of 2.60%.
- (d) Sensitivity analysis for fixed deposits and short term money market deposits at the end of the reporting period is not presented as fixed rate instruments is not affected by changes in interest rates.

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

- (e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	11,336,993	26,414,439	70,724	34,751
Fixed deposits	18,361,146	25,778,415	1,040	1,010
Short term money market deposits	10,678,497	21,195,886	-	411,685
	40,376,636	73,388,740	71,764	447,446
Less: Deposits pledged to licensed banks (Note 21)	(14,559,147)	(22,740,769)	-	-
Less: Bank overdrafts (Note 20)	(185,246)	(3,694,296)	-	-
	25,632,243	46,953,675	71,764	447,446

- (f) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Ringgit Malaysia	40,076,380	63,743,284	71,764	447,446
Thai Baht	-	9,272,738	-	-
Singapore Dollar	265,418	291,631	-	-
US Dollar	10,700	47,871	-	-
Indonesian Rupiah	4,538	23,422	-	-
Brunei Dollar	4,084	4,418	-	-
Vietnamese Dong	15,516	5,376	-	-
	40,376,636	73,388,740	71,764	447,446

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

	Group	
	2018 RM	2017 RM
Effects of 10% changes to RM against foreign currencies		
(Loss)/Profit after tax	±14,000	±711,000

18. SHARE CAPITAL

	<----- Group and Company ----->			
	Number of ordinary shares		Amount	
	2018	2017	2018 RM	2017 RM
Issued and fully paid-up share capital				
As at 1 April 2017/2016	430,254,891	389,261,674	230,280,629	194,630,837
Ordinary shares issued pursuant to Long Term Incentive Plan	820,600	2,013,700	417,702	1,006,850
Ordinary shares issued pursuant to private placement	-	38,979,200	-	19,489,600
Conversion of warrants	-	317	-	158
Effects of the new Companies Act 2016	-	-	-	15,153,184
As at 31 March 2018/2017	431,075,491	430,254,891	230,698,331	230,280,629

- (a) During the financial year, the issued and paid-up share capital of the Company has been increased from RM230,280,629 comprising 430,254,891 ordinary shares to RM230,698,331 comprising 431,075,491 ordinary shares. The increase in the issued and paid-up share capital of the Company arose from the issuance of 820,600 new ordinary shares pursuant to the Long Term Incentive Plan (LTIP) to eligible employees.
- (b) In the previous financial year, the issued and paid-up share capital of the Company was increased from RM194,630,837 comprising 389,261,674 ordinary shares to RM230,280,629 comprising 430,254,891 ordinary shares by way of issuance of 2,013,700 new ordinary shares pursuant to the LTIP to eligible employees, issuance of 38,979,200 new ordinary shares pursuant to private placement and issuance of 317 new ordinary shares pursuant to conversion of Warrants 2011/2016.
- (c) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

19. RESERVES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-distributable:				
Capital reserve	24,663,246	24,663,246	24,663,246	24,663,246
Warrant reserve	11,307,378	11,307,378	11,307,378	11,307,378
Equity compensation reserve	3,312,751	2,493,174	-	-
Exchange translation reserve	(251,269)	(950,522)	-	-
	39,032,106	37,513,276	35,970,624	35,970,624

19. RESERVES (CONT'D.)

(a) Capital reserve

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

(b) Warrant reserve

Warrant reserve represents the fair value assigned to the Warrants 2013/2018 of RM0.136 at grant date in 2013. The fair value was determined using the Black-Scholes-Merton option pricing model.

(c) Equity compensation reserve

Equity compensation reserve arose from equity-settled share options granted to employees.

(d) Exchange translation reserve

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

20. BORROWINGS

	Group	
	2018 RM	2017 RM
Current liabilities		
Invoice financing and factoring loan (Note 21)	2,870,439	5,203,030
Bank overdrafts (Note 21)	185,246	3,694,296
Hire purchase and lease creditors (Note 22)	14,721,880	17,744,807
Trust receipts (Note 21)	14,563,111	17,823,375
Term loans (Note 21)	43,193,214	49,631,711
	75,533,890	94,097,219
Non-current liabilities		
Hire purchase and lease creditors (Note 22)	15,328,960	18,011,845
	90,862,850	112,109,064
Total borrowings		
Invoice financing and factoring loan (Note 21)	2,870,439	5,203,030
Bank overdrafts (Note 21)	185,246	3,694,296
Hire purchase and lease creditors (Note 22)	30,050,840	35,756,652
Trust receipts (Note 21)	14,563,111	17,823,375
Term loans (Note 21)	43,193,214	49,631,711
	90,862,850	112,109,064

- (a) Borrowings are classified as other financial liabilities, and measured at amortised cost using the effective interest method.

20. BORROWINGS (CONT'D.)

- (b) The table below summarises the maturity profile of the borrowings at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
31 March 2018				
Invoice financing and factoring loan	3,014,822	-	-	3,014,822
Bank overdrafts	192,545	-	-	192,545
Hire purchase and lease creditors	16,034,354	15,708,612	24,088	31,767,054
Trust receipts	14,880,587	-	-	14,880,587
Term loans	48,324,568	-	-	48,324,568
Total undiscounted financial liabilities	82,446,876	15,708,612	24,088	98,179,576
31 March 2017				
Invoice financing and factoring loan	5,464,742	-	-	5,464,742
Bank overdrafts	3,839,851	-	-	3,839,851
Hire purchase and lease creditors	19,775,559	18,418,137	16,110	38,209,806
Trust receipts	18,236,877	-	-	18,236,877
Term loans	55,527,958	-	-	55,527,958
Total undiscounted financial liabilities	102,844,987	18,418,137	16,110	121,279,234

- (c) Invoice financing and factoring loan, bank overdrafts and trust receipts of the Group with a carrying amount of RM2,870,439 (2017: RM5,203,030), RM185,246 (2017: RM3,694,296) and RM14,563,111 (2017: RM17,823,375) are subject to floating weighted average effective interest rates of 5.03% (2017: 5.03%), 3.94% (2017: 3.94%) and 2.18% (2017: 2.32%) respectively.
- (d) Term loans and hire purchase and lease creditors of the Group with a carrying amount of RM43,193,214 (2017: RM49,631,711) and RM30,050,840 (2017: RM35,756,652), are subject to fixed weighted average effective interest rates of 12% (2017: 11.88%) and 4.5% (2017: 2.78%) respectively. Included in terms loans is an amount of RM33,377,740 (2017: RM39,733,424) owing to a company related to a Director of the Company.
- (e) Sensitivity analysis of fixed rate borrowings as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates. Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Group	
	2018 RM	2017 RM
Effects of 100bp changes to (loss)/profit after tax		
Floating rate instruments	+589,000	+294,000

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

21. BANK OVERDRAFTS, INVOICE FINANCING AND FACTORING LOAN, TRUST RECEIPTS AND TERM LOANS

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

- (a) Pledge of fixed deposits as disclosed in Note 17 to the financial statements;
- (b) First legal charge over the following:
 - (i) 81,847,893 (2017: 97,052,093) shares in Microlink with carrying amount of RM43,495,930 (2017: RM51,258,213) as disclosed in Note 7 to the financial statements;
 - (ii) 209,157,709 (2017: 728,282,401) shares in DGSB with a carrying amount of RM18,824,194 (2017: RM53,440,843) as disclosed in Note 8 to the financial statements; and
 - (iii) 49,725,100 (2017: 52,027,300) ordinary shares and 4,091,000 (2017: 11,557,500) warrants in Ho Hup with a total carrying amount of RM35,107,405 (2017: RM40,542,530) as disclosed in Note 8 to the financial statements.
- (c) Personal guarantee from certain Directors of certain subsidiaries;
- (d) Corporate guarantees from certain subsidiaries and the Company; and
- (e) Transfer of the right of the claim of collections from certain trade receivables of one of the subsidiaries.

22. HIRE PURCHASE & LEASE CREDITORS

	Group	
	2018 RM	2017 RM
Minimum hire purchase and lease payments:		
– not later than 1 year	16,034,354	19,775,559
– later than 1 year and not later than 5 years	15,708,612	18,418,137
– later than 5 years	24,088	16,110
	31,767,054	38,209,806
Less: Future interest charges	(1,716,214)	(2,453,154)
Present value of hire purchase and lease creditors	30,050,840	35,756,652
Repayable as follows:		
Current liabilities		
– not later than 1 year	14,721,880	17,744,807
Non-current liabilities		
– later than 1 year and not later than 5 years	15,250,575	17,996,161
– later than 5 years	78,385	15,684
	30,050,840	35,756,652

23. TRADE PAYABLES

- (a) Trade payables are classified as other financial liabilities, and measured at amortised cost using the effective interest method.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 1 month to 6 months (2017: 1 month to 6 months) from date of invoice.
- (c) The currency exposure profile of trade payables are as follows:

	2018 RM	Group 2017 RM
Ringgit Malaysia	28,012,606	27,577,841
Thai Baht	-	7,189,801
US Dollar	1,466,037	196,864
Singapore Dollar	59,079	19,426
Great Britain Pound	110,930	29,300
Vietnamese Dong	1,255	-
	29,649,907	35,013,232

- (d) The maturity profile of the trade payables of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	2018 RM	Group 2017 RM
Effects of 10% changes to RM against foreign currencies		
(Loss)/Profit after tax	±123,000	±564,000

24. OTHER PAYABLES, DEPOSITS & ACCRUALS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Other payables and accruals	56,811,832	56,796,809	868,500	997,310
Unearned revenue	23,152,186	36,423,262	-	-
Refundable deposits	494,821	177,022	-	-
	80,458,839	93,397,093	868,500	997,310

- (a) Other payables, deposits and accruals are classified as other financial liabilities, and measured at amortised cost using the effective interest method.
- (b) Unearned revenue represents advance billings for contract works and maintenance services.
- (c) The maturity profile of the other payables of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (d) Other payables are denominated in Ringgit Malaysia.

25. CONTINGENT LIABILITIES

- (a) Guarantees

	Company	
	2018 RM	2017 RM
Corporate guarantees given to financial institutions and leasing corporations for facilities granted to certain subsidiaries		
- Unsecured	38,122,580	25,700,000
- Secured	225,250,630	244,349,809

- (i) Corporate guarantees given to financial institutions and leasing corporations for facilities granted to subsidiaries are financial guarantee contracts designated as insurance contracts as defined in FRS 4 *Insurance Contracts*.
- (ii) The Directors are of the view that the chances of the counter parties to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.
- (iii) Corporate guarantees given to financial institutions and leasing corporations are disclosed in Note 21 to the financial statements.

25. CONTINGENT LIABILITIES (CONT'D.)

(b) Litigation

The Company together with another 12 defendants (collectively the Defendants) received a Writ of Summons (Writ) filed by Risk Management and Safety Systems Pty. Ltd. (RMSS) (the Plaintiff) on 18 April 2012.

The claim is in respect of purported allegations by the Plaintiff that the Defendants have directly or indirectly deprived the Plaintiff of the benefits of the Partial Award dated 27 March 2012 (received by the Plaintiff only on 2 April 2012) given under Arbitration Case No: ARB167/10/MXM (to which the Plaintiff and one of the other defendants were parties) by the Arbitral Tribunal under the Arbitration Rules of the Singapore International Arbitration Centre.

The Judge made a decision on 17 July 2014 and allowed the Plaintiff's claim against all of the Defendants who were found to be jointly and severally liable. The Judge consequently awarded the following sums:

- (i) USD420,000 together with interest thereon at the rate of 5% per annum from 9 November 2010 to full payment;
- (ii) RM319,085 together with interest thereon at the rate of 5% per annum from 16 October 2012 to the date of full payment;
- (iii) SGD113,384 together with interest thereon at the rate of 5% per annum from 16 October 2012 to the date of full payment;
- (iv) AUD136,010 together with interest thereon at the rate of 5% per annum from 16 October 2012 to the date of full payment;
- (v) USD1,276 together with interest thereon at the rate of 5% per annum from 16 October 2012 to the date of full payment;
- (vi) USD455,000 together with interest thereon at the rate of 5% per annum from 22 May 2011 to the date of full payment (sum payable for Year 2 under the Software License Agreement between the Plaintiff and the 12th Defendant);
- (vii) USD490,000 together with interest thereon at the rate of 5% per annum from 22 May 2012 to the date of full payment (sum payable for Year 3 under the Software License Agreement between the Plaintiff and the 12th Defendant);
- (viii) RM5,000 (costs awarded in Originating Summons No. 24NCC (ARB)-28-08/2012);
- (ix) S\$5,000 (costs awarded by Singapore High Court in Originating Summons No.607 of 2012/V);
- (x) S\$7,365 (disbursements in respect of Singapore High Court Originating Summons No.607 of 2012/V);
- (xi) RM2,000 (costs awarded for Originating Summons No. 24NCC (ARB)-42-10/2012); and
- (xii) Costs of RM130,000.

The Court declined to award aggravated or exemplary damages.

The Company filed an appeal against the Court judgment by way of a Notice of Appeal dated 24 July 2014 and instructed legal counsels to file an application for a stay of execution of the judgment following filing of the appeal. On 12 August 2014, the Judge granted the Company a conditional stay of execution of the Judgment pending disposal of the appeal of the Company to the Court of Appeal. In accordance with the Conditional Stay, the Company has on 26 August 2014 deposited the sum of RM6.3 million, which represents judgment sum of RM5.5 million together with related interest with the Plaintiff's solicitors, to be held by them as stakeholders pending disposal of the Company's Appeal.

25. CONTINGENT LIABILITIES (CONT'D.)

(b) Litigation (cont'd.)

On 2 February 2016, the hearing of the appeal proceeded in the Court of Appeal. The Judges heard oral submissions from all parties and rendered their decision on 28 July 2016 whereby the Judges were unanimous in allowing the appeal with costs. On 5 August 2016, the deposited sum of RM6.3 million has been refunded to the Company.

Subsequently, RMSS filed a Notice of Motion dated 25 August 2016 in the Federal Court for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 28 July 2016 (Leave Application). At the hearing of the Leave Application on 15 May 2017, the Federal Court heard submissions from the parties and allowed the Leave Application with costs in the cause. Pursuant thereto, RMSS filed its Notice of Appeal to the Federal Court on 17 May 2017. The Federal Court proceeded to hear the appeal on 15 February 2018 and thereafter adjourned the matter to 27 April 2018 for continued hearing.

Subsequent to the last hearing date on 15 February 2018, RMSS and Omesti entered into a collaboration agreement on 28 March 2018 pursuant to which parties have agreed to explore potential business opportunities in the near future pertaining to RMSS's software.

In view of the above, the appeals were called up before the Federal Court on 10 April 2018 and RMSS's lawyer informed the Court that RMSS wishes to withdraw all 4 appeals with no order as to costs. Accordingly, the Court recorded that the 4 appeals are struck out with no order as to costs.

26. REVENUE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Project works and sale of computer hardware, software and accessories	235,051,028	275,521,333	-	-
Maintenance and software support services	114,274,065	140,061,000	-	-
Network connectivity and bandwidth services	5,087,215	4,476,102	-	-
Consultancy fees	70,798	69,036	-	-
Dividend income	17	37	-	10,200,000
Management fees	115,955	79,504	1,601,248	1,329,564
	354,599,078	420,207,012	1,601,248	11,529,564

26. REVENUE (CONT'D.)

(a) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer and where the Group does not have continuing managerial involvement over the goods, which coincides with delivery of goods and acceptance by customers.

(b) Services

Revenue from maintenance and software support contract is allocated evenly throughout the period of contracts. Income for the expired period is recognised in the profit or loss on accrual basis and income relating to the unexpired period is carried forward as unearned revenue.

(c) Rental income and management fees

Rental income and management fees are recognised on an accrual basis unless collectability is in doubt.

(d) Dividend income

Dividend income is recognised whenever the right to receive payment is established.

(e) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(f) Consultancy services

Revenue from provision management consultancy services is allocated evenly throughout the period of contracts. Income for the expired period is recognised in the profit or loss on accrual basis and income relating to the unexpired period is carried forward as unearned revenue.

27. FINANCE COSTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest expenses on:				
- bank charges	218,026	203,462	1,406	1,004
- bank guarantee charges	315,318	77,868	-	-
- bank overdrafts	176,249	354,560	-	-
- commitment fees	89,993	80,946	-	-
- hire purchase and lease	1,651,197	2,301,389	-	29
- letter of credit and trust receipts	1,493,454	1,113,421	-	-
- term loans	5,237,083	5,736,587	-	-
- others	487,346	414,689	-	-
	9,668,666	10,282,922	1,406	1,033

28. TAXATION

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Current tax expense based on (loss)/profit for the financial year				
Malaysian income tax	3,180,890	2,911,095	-	68,602
Foreign income tax	618,529	873,794	-	-
	3,799,419	3,784,889	-	68,602
Under/(Over) provision in prior years				
Malaysian income tax	319,228	2,084,068	8,127	(77,806)
Foreign income tax	(28,248)	-	-	-
	290,980	2,084,068	8,127	(77,806)
	4,090,399	5,868,957	8,127	(9,204)
Deferred tax (Note 11)				
Relating to originating and reversal of temporary differences	(1,964,662)	781,146	-	-
Overprovision in prior years	(22,163)	(2,829,762)	-	-
	(1,986,825)	(2,048,616)	-	-
	2,103,574	3,820,341	8,127	(9,204)

Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated taxable (loss)/profit for the fiscal year.

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

28. TAXATION (CONT'D.)

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Tax at Malaysian statutory tax rate of 24% (2017: 24%)	(36,077,367)	(2,671,296)	(9,278,453)	672,428
Tax effect in respect of:				
Non-allowable expenses	51,151,155	9,132,031	8,377,971	1,981,172
Non-taxable income	(4,331,937)	(3,038,027)	-	(2,448,000)
Movements in unused tax losses and unabsorbed capital allowances not recognised	(8,609,813)	1,212,513	900,482	(136,998)
Differential in tax rates	(297,281)	(69,186)	-	-
	1,834,757	4,566,035	-	68,602
Under/(Over) provision in prior years	290,980	2,084,068	8,127	(77,806)
Over provision of deferred tax in prior year	(22,163)	(2,829,762)	-	-
	2,103,574	3,820,341	8,127	(9,204)

29. LOSS PER ORDINARY SHARE

(a) Basic loss per ordinary share

	Group	
	2018 RM	2017 RM
Loss attributable to owners of the Company (RM)	(131,644,419)	(12,111,981)
Average number of ordinary shares in issue at the beginning of financial year	430,254,891	389,261,674
Effects of Private Placement of Shares	-	26,399,574
Effects of conversion of warrants	-	307
Effects of issuance of shares pursuant to LTIP	502,695	1,215,972
Weighted average number of ordinary shares applicable to basic loss per ordinary share	430,757,586	416,877,527
Basic loss per ordinary share (sen)	(30.56)	(2.91)

29. LOSS PER ORDINARY SHARE (CONT'D.)

(b) Diluted loss per ordinary share

	Group	
	2018 RM	2017 RM
Loss attributable to owners of the Company (RM)	(131,644,419)	(12,111,981)
Weighted average number of ordinary shares in issue (basic)/ Adjusted weighted average number of ordinary shares applicable to diluted loss per ordinary share	430,757,586	416,877,527
Diluted loss per ordinary share (sen)	(30.56)	(2.91)

Warrants that could potentially dilute the earnings per ordinary share were not included in the calculation of diluted earnings per ordinary share as it would have an anti-dilution effect thereon.

30. PROVISIONS

The Group operates an unfunded defined Retirement Benefit Scheme (the Scheme) and gratuity for the eligible employees. Under the Scheme, eligible employees are entitled to post-employment benefits calculated by reference to their length of service and earnings.

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Present value of unfunded defined benefit obligations:				
Post-employment benefits	-	1,238,977	-	-
Gratuity obligations	3,686,438	3,317,054	801,183	706,450
	3,686,438	4,556,031	801,183	706,450

(a) Post-employment benefits

	Group	
	2018 RM	2017 RM
Analysed as follows:		
Non-current liabilities - more than 5 years	-	1,238,977
	-	1,238,977

30. PROVISIONS (CONT'D.)

(a) Post-employment benefits (cont'd.)

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

	Group	
	2018 RM	2017 RM
Balance as at 1 April 2017/2016	1,238,977	495,126
Current service cost recognised in profit or loss	178,255	445,557
Exchange differences	(38,052)	298,294
Disposal of a subsidiary (Note 7)	(1,379,180)	-
Balance as at 31 March 2018/2017	-	1,238,977

In the previous financial year, key assumptions used for this valuation (presented by weighted average) were as follows:

	Group 2017
Discount rate	3.51%
Salary increase rate	5.00%
Annual voluntary resignation rate	0.00% - 18.87%
Mortality rate	Thai Mortality table of 2008
Normal retirement age	75 years

(b) Gratuity obligations

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Analysed as follows:				
Non-current liabilities				
- later than 1 year and not later than 5 years	698,025	-	149,145	-
- more than 5 years	2,988,413	3,317,054	652,038	706,450
	3,686,438	3,317,054	801,183	706,450

30. PROVISIONS (CONT'D.)

(b) Gratuity obligations (cont'd.)

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Balance as at 1 April 2017/2016	3,317,054	3,624,134	706,450	836,684
Current service cost recognised in profit or loss	369,384	(307,080)	94,733	(130,234)
Balance as at 31 March 2018/2017	3,686,438	3,317,054	801,183	706,450

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

Group	2018	2017
Discount rate	4.83%	4.91%
Salary increase rate	3.23% - 4.47%	3.01% - 4.39%
Annual voluntary resignation rate	0.00% - 50.00%	0.00% - 50.00%
Mortality rate	Malaysia Ordinary Insured 2006-2010	Malaysia Ordinary Insured 2006-2010
Normal retirement age	60 years	60 years

Company	2018	2017
Discount rate	4.83%	4.91%
Salary increase rate	3.01%	3.01%
Annual voluntary resignation rate	11.11%	13.64%
Mortality rate	Malaysia Ordinary Insured 2006-2010	Malaysia Ordinary Insured 2006-2010
Normal retirement age	60 years	60 years

31. EMPLOYEE BENEFITS

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Salaries, wages, bonuses and allowances	75,481,085	72,641,131	3,502,367	3,048,458
Defined contribution plan	6,555,333	6,410,864	464,027	406,414
Share options granted under ESOS				
– Directors	546,616	–	–	–
– Other employees	866,620	4,347,820	–	–
Shares granted under ESGP				
– Directors	417,702	950,250	417,702	950,250
– Other employees	–	170,700	–	–
Provision/(Reversal) for post-employment benefits	178,255	445,557	–	–
Provision for gratuity obligations	369,384	(307,080)	94,733	(130,234)
Other employee benefits	4,968,062	5,284,919	184,731	418,376
	89,383,057	89,944,161	4,663,560	4,693,264

(a) Included in the employee benefits of the Group and of the Company are remuneration paid to Executive Directors' amounting to RM3,174,511 (2017: RM5,418,471) and RM1,498,670 (2017: RM2,176,406) respectively.

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors' fees	881,935	1,061,500	471,000	492,000
Salaries, and other short term employee benefits:				
Directors	3,174,511	5,418,471	1,498,670	2,176,406
Other key management personnel	3,938,728	4,830,963	–	–
	7,113,239	10,249,434	1,498,670	2,176,406

32. DIVIDEND

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

33. LONG-TERM INCENTIVE PLAN (LTIP)

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

The main features of the LTIP are as follows:

- (a) Eligible Directors and employees are those who are confirmed employees of the Company and/or its eligible subsidiaries and has attained the age of 18 years before the date of offer;
- (b) The maximum number of options to be issued under the LTIP should not exceed in aggregate 15% of the issued and paid-up ordinary share capital of the Company at any point of time during the tenure of the LTIP. In addition, any individual Director or employee's maximum entitlement should not exceed 10% of the ordinary shares of the Company in issue in the 12 months period up to (and including) the date of the grant;
- (c) Options granted may be exercised at any time within the option period from the date of offer;
- (d) In the case of the ESGP, the shares will be vested with the grantee at no consideration on the vesting date: while in the case of the ESOS, the option price of a new ordinary share should be the 5-day weighted average market prices of the shares as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad immediately preceding the date of offer; and
- (e) Options granted are not entitled to dividends or voting rights. Upon exercise of the options, the ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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

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

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

On 5 January 2017, the ESOS expired and the remaining unexercised ESOS options became lapsed.

34. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related parties of the Group include:

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

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Subsidiaries				
- Management fee income	-	-	1,468,200	1,250,060
- Human resources consultancy services	-	-	17,093	-
- Dividend income	-	-	-	10,200,000
- Preference share dividend income	-	-	1,243,846	844,881
- Training room rental income	-	-	154,800	154,800
Associates				
- Management fee income	87,600	57,600	87,600	57,600
Company related to a Director of the Company				
- Interest expense	4,424,646	3,936,384	-	-

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

35. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from financial year ended 31 March 2017.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity. The Group has a target gearing ratio of 30% to 50% determined as the proportion of total borrowings to equity. The gearing ratios as at 31 March 2018 and 31 March 2017 are as follows:

	2018 RM	Group 2017 RM
Total borrowings (Note 20)	90,862,850	112,109,064
Total equity	167,406,892	329,908,988
Gearing ratio	54.3%	34.0%

36. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

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

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

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

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

(a) Foreign currency risk

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

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

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

(a) Foreign currency risk (cont'd.)

A sensitivity analysis for foreign currency risk has been disclosed in Notes 10, 14, 17, and 23 to the financial statements respectively.

(b) Interest rate risk

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

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

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 17 and 20 to the financial statements respectively.

(c) Credit risk

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

The primary exposure of the Group to credit risk arises through its trade and other receivables, while the primary exposure of the Company arises through its other receivables and amount owing by subsidiaries. The trading terms of the Group with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers.

The credit risk concentration profile has been disclosed in Note 14 to the financial statements.

(d) Liquidity and cash flow risks

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

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 15, 16, 20, 23 and 24 to the financial statements respectively.

37. ADOPTION OF NEW FRSs & AMENDMENTS TO FRSs

37.1 New FRSs adopted during the current financial year

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

Title	Effective Date
Amendments to FRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to FRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Annual Improvements to MFRS Standards 2014-2016 Cycle</i>	1 January 2017

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

37.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

The following are Standards of the FRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
FRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to FRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 1 <i>Annual Improvements to FRS Standards 2014-2016 Cycle</i>	See FRS 1 Paragraphs 39AD and 39ADAA
Amendments to FRS 128 <i>Annual Improvements to FRS Standards 2014-2016 Cycle</i>	See FRS 128 Paragraphs 45E and 45EAA
Amendments to FRS 140 <i>Transfers of Investment Property</i>	See FRS 140 Paragraphs 85G and 85GAA
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	See IC Interpretation 22 Paragraphs A1 and A1AA
Amendments to FRS 4 <i>Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts</i>	See FRS 4 Paragraphs 46, 47AA and 48
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	See IC Interpretation 23 Paragraphs B1 and B1AA
Amendments to FRS 10 and FRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The above Standards shall be superseded upon adoption of the MFRS Framework for annual periods beginning on or after 1 April 2018.

37. ADOPTION OF NEW FRSS & AMENDMENTS TO FRSS (CONT'D.)

37.3 Malaysian Financial Reporting Standards (MFRS) Framework

The Group and the Company are Transitioning Entities as defined by the MASB, and would be mandatorily required to adopt the MFRS Framework for the first time during the financial year ending 31 March 2019. The Group and the Company is expected to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* during that financial year and present an opening MFRS statements of financial position at the date of transition to MFRSS.

The Group and the Company have decided to adopt the MFRS Framework for the financial year ending 31 March 2019.

The Group and the Company are in the process of assessing the impact of adopting the MFRS Framework, since the effects would only be observable for future financial years.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

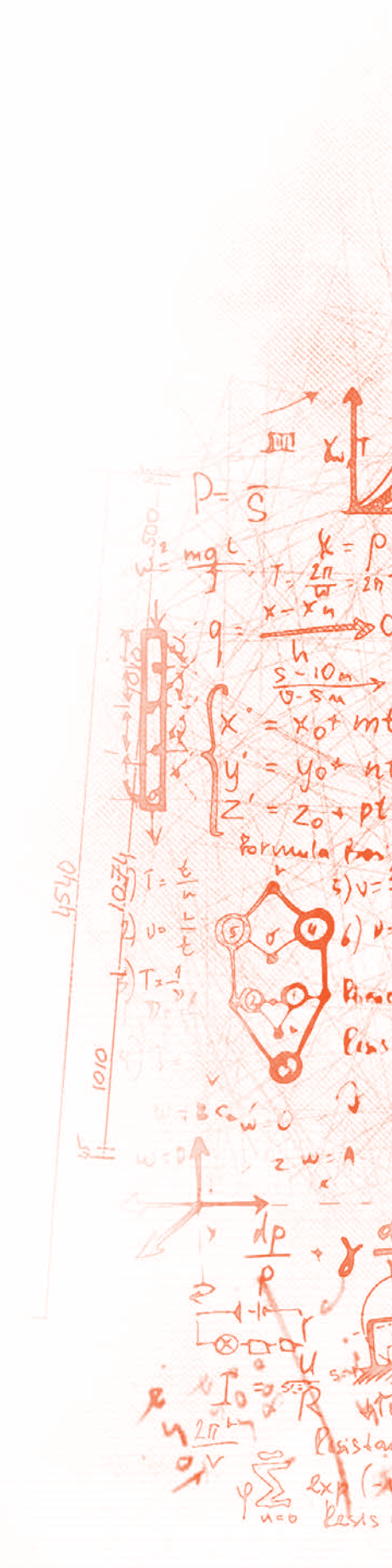
- (a) Significant events during the financial year related to the incorporation of a new subsidiary and an acquisition of a new subsidiary are as disclosed in Note 7 to the financial statements.
- (b) Significant events during the financial year related to the disposal of a subsidiary is as disclosed in Note 7 to the financial statements.

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

- (a) Pursuant to the Subscription Agreement dated 30 October 2017 entered into between FIBER and CNA, CNA had on 21 May 2018 converted 7,500,000 RCPS-C into ordinary shares in FIBER. Following the conversion, CNA now holds 13,800,000 ordinary shares in FIBER, representing 93.8% equity interest in FIBER.

CNA has on 6 June 2018 entered into a Subscription Agreement in respect of RCPS in FIBER for the subscription of up to 10,000,000 RCPS – Series D (RCPS-D) in FIBER. Thereafter, CNA had on 7 June 2018 converted 10,000,000 RCPS-D into ordinary shares in FIBER. Following the conversion, CNA now holds 23,800,000 ordinary shares in FIBER, representing 96.36% equity interest in FIBER.

- (b) OHB has on 3 July 2018 acquired 100,000 ordinary shares in Red Ape Solutions Sdn Bhd (RAS), a company incorporated in Malaysia that is engaged in the business of providing solutions, training and consultation, consultation services in information technology, web development and applications, representing 100% of the equity interest for a total cash consideration of RM1,000,000. Following the acquisition, RAS becomes a wholly-owned subsidiary of OHB.
- (c) On 30 May 2018, 1,728,000 warrants had been exercised and the balances of warrants that remained unexercised were 81,414,487 warrants. The remaining unexercised warrants had expired on 30 May 2018.



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