MCOM HOLDINGS BERHAD
(Registration no. 201701034106 (1248277 - X))
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2022

Registered office:
Unit 3A-12, Level 3A, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No.8 Jalan Kerinchi,
59200 Kuala Lumpur

Principal place of business:
No 2-7 & 3-7,
Jalan Puteri 4/6,
Bandar Puteri Puchong,
47100 Puchong
Selangor Malaysia

Registration No. 201701034106 (1248277 - X)

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2022

INDEX
*****

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

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

Principal Activities

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	The Group RM	The Company RM
Loss after taxation	(3,058,945)	(525,414)
Attributable to:		
Owners of the Company	(2,100,584)	(525,414)
Non-controlling interests	(958,361)	-
	(3,058,945)	(525,414)

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.

Dividend

No dividend was paid or declared by the Company since the end of previous financial year and the Board of Directors does not recommend any dividend for the current financial year.

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Options Granted Over Unissued Shares

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

Directors

The Directors in office during the financial year until the date of this report are as follows:

Ho Kim Hun
Chew Lee Poh
Foo Seck Chyn
Tee Wee Huat
Mohammad Hazani Bin Hassan (Resigned on 5 May 2022)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:

An Sopheak
Siwat Manosak
Ronachai Krisadaolar

Directors' Interests in Shares

The interests and deemed interests in the shares, options over shares of the Company or its related companies of those who were directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.01.2022	**Bought**	**Sold**	**At 31.12.2022**
Direct interests				
Foo Seck Chyn	1,753,000	802,350	-	2,555,350
Tee Wee Huat	1,591,000	-	(540,000)	1,051,000
Indirect interests				
Ho Kim Hun *	135,061,324	-	-	135,061,324
Chew Lee Poh *	135,061,324	-	-	135,061,324

* Deemed interest by virtue of their substantial shareholdings in the holding companies.

By virtue of their shareholdings in the ultimate holding company, Ho Kim Hun and Chew Lee Poh are deemed to have interests in share of the Company and its related corporations to the extent of the ultimate holding company's interests, in accordance with Section 8 of the Companies Act, 2016.

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit, other than a benefit (other than a benefit included in the aggregate amount of fees and emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than certain directors who have substantial financial interests in companies which traded with the Company in the ordinary course of business, other than as disclosed in Note 35 to the financial statements.

The details of the directors' remuneration for the financial year ended 31 December 2022 are set out below:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors' remuneration:				
- fees	150,360	195,960	-	183,000
- salaries, bonuses and other benefits	832,798	1,319,766	432,600	871,047
	983,158	1,515,726	432,600	1,054,047
Defined contribution benefits	188,304	166,235	83,117	164,388
Total directors' remuneration	1,171,462	1,681,961	515,717	1,218,435

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Group and of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

Other Statutory Information

(a) Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and the Company have been written down to an amount which the current assets might be expected so to realise.

Other Statutory Information (Cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) not otherwise dealt with in this report or the financial statements of the Group and the Company which would render any amount stated in the financial statements misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

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

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

(d) In the opinion of the Directors,

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet its obligations as and when they fall due;

(ii) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

Holding Companies

The immediate and ultimate holding companies are MCatch Co., Ltd., a private limited company by shares incorporated in Hong Kong, China and BHC Holdings Sdn. Bhd., a private limited company incorporated in Malaysia.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 are disclosed as below:

	Group RM	**Company RM**
UHY	86,359	35,000
Other auditors	40,724	-
	127,083	35,000

Subsequent Event

The details of subsequent event are disclosed in Note 39 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed by the Board of Directors in accordance with a resolution of the Directors dated 26 April 2023.

HO KIM HUN

CHEW LEE POH

KUALA LUMPUR

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and of its financial performance and its cashflows for the financial year then ended.

Signed by the Board of Directors in accordance with a resolution of the Directors dated 26 April 2023.

HO KIM HUN	CHEW LEE POH

KUALA LUMPUR

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act, 2016

I, HO KIM HUN, being the Director primarily responsible for the financial management of MCOM HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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 in the Federal Territory on 26 April 2023	)))	
		HO KIM HUN

Before me,

No. W790
ZAINUL ABIDIN BIN AHMAD
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCOM HOLDINGS BERHAD
[Registration No.: 201701034106 (1248277 - X)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCOM Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 95.

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 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis of Opinion

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

Independence and Other Ethical Requirements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCOM HOLDINGS BERHAD (CONT'D)
[Registration No.: 201701034106 (1248277 - X)]
(Incorporated in Malaysia)

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial statements which indicates that the Group and the Company incurred a net loss of RM3,058,945 and RM525,414 respectively during the financial year ended 31 December 2022, and as of that date, the Group's and the Company's net current liabilities amounted to RM4,889,243 and RM614,695 respectively and they had a deficit in its shareholders' equity of RM239,626 and RM549,370 respectively. These conditions indicate the existence of an uncertainty which may cast doubt about the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this manner.

Key Audit Matters

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

We have determined that there were no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Key audit matter	**How we addressed the key audit matter**
<u>Revenue recognition</u> Refer to Note 2(b) (Significant accounting judgements, estimates and assumptions), Note 3 (Significant accounting policies) and Note 28 (Revenue). The two main revenue streams of the Group are as follows: - Mobile payment solutions; and - Mobile advertising platform. Mobile payment solutions and mobile advertising platform involved voluminous transactions and are mainly processed automatically through the Information Technology ("IT") systems of the Group.	• Performed test of details on the occurrence and accuracy of the revenue recorded, based amongst others on inspection on the issuance of billings, settlement report from Telco and/or posting to the relevant ledger accounts. • Tested completeness of revenue by tracing samples of billings and/or posting during the financial year and billings and or posting subsequent to the year to the relevant ledger accounts; and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCOM HOLDINGS BERHAD (CONT'D)
[Registration No.: 201701034106 (1248277 - X)]
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

We have determined that there were no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report. (Cont'd)

Key audit matter	How we addressed the key audit matter
<u>Impairment of Trade Receivables</u> Refer to Note 2(b) (Significant accounting judgements, estimates and assumptions), Note 3 (Significant accounting policies) and Note 12 (Trade receivables). As at 31 December 2022, the Group's trade receivables prior to allowance for impairment losses were RM10,686,439 of which RM9,287,450 have been provided for as allowance for impairment losses respectively. The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.	• We have obtained an understanding and evaluated the appropriateness of the Group's policy on management credit risk and its credit exposures. • We have enquired with management regarding the recoverability of trade receivables that are past due but not impaired and reviewed customers' correspondence. • We have assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment losses. • We tested the accuracy and completeness of the data used by the management. • We have evaluated subsequent year end receipts and recoverability of outstanding trade receivables.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCOM HOLDINGS BERHAD (CONT'D)
[Registration No.: 201701034106 (1248277 - X)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and of 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 Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCOM HOLDINGS BERHAD (CONT'D)
[Registration No.: 201701034106 (1248277 - X)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCOM HOLDINGS BERHAD (CONT'D)
[Registration No.: 201701034106 (1248277 - X)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCOM HOLDINGS BERHAD (CONT'D)
[Registration No.: 201701034106 (1248277 - X)]
(Incorporated in Malaysia)

Other Matters

(a) The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors and are presented here merely for comparative purposes. The report issued by the predecessor auditors, which was dated 28 April 2022, expressed an unmodified opinion.

(b) 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.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM YANG YUE
Approved Number: 03544/12/2024 J
Chartered Accountant

KUALA LUMPUR

26 APRIL 2023

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Equipment	4	212,247	330,414	-	-
Right-of-use assets	5	315,772	522,883	-	33,968
Other investment	6	65,325	550,000	65,325	550,000
Investments in subsidiaries	7	-	-	-	-
Investments in an associate	8	30	30	-	-
Deferred tax assets	9	-	-	-	-
Development costs	10	-	-	-	-
		593,374	1,403,327	65,325	583,968
Current assets					
Contract assets	11	272,651	647,828	-	-
Trade receivables	12	1,398,989	1,945,325	-	-
Other receivables, deposits and prepayments	13	959,362	1,033,474	9,187	27,340
Amount due from immediate holding company	14	-	15,334	-	-
Amount due from subsidiaries	15	-	-	-	119,000
Amount due from associate company	16	8,171	-	-	-
Current tax assets		324,356	231,408	201,488	151,488
Fixed deposits with licensed banks	17	378,968	254,427	-	-
Cash and bank balances		134,768	283,226	1,038	12,473
		3,477,265	4,411,022	211,713	310,301
Total assets		4,070,639	5,814,349	277,038	894,269
Equity					
Share capital	18	14,506,205	14,506,205	14,506,205	14,506,205
Merger deficit	19	(6,104,634)	(6,104,634)	-	-
Reserves	20	(8,641,197)	(6,209,105)	(15,055,575)	(14,180,161)
Equity attributable to owners of the Company		(239,626)	2,192,466	(549,370)	326,044
Non-controlling interests		(4,748,235)	(3,656,853)	-	-
Total Equity		(4,987,861)	(1,464,387)	(549,370)	326,044

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

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 31 DECEMBER 2022**

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Non-current liabilities					
Employee benefits obligation	21	195,852	205,411	-	-
Lease liabilities	22	239,791	342,578	-	-
Bank borrowings	23	256,349	194,759	-	-
Deferred tax liability	9	-	-	-	-
		691,992	742,748	-	-
Current liabilities					
Trade payables	24	1,606,535	3,014,993	-	-
Other payables and accruals	25	3,406,361	1,823,369	331,248	317,201
Amount owing to ultimate holding company	26	3,514	7,114	-	-
Amount owing to a subsidiary	15	-	-	20,600	165,600
Amount owing to a director	27	2,037,435	144,904	474,560	50,500
Current tax liabilities		115,599	336,176	-	-
Lease liabilities	22	117,899	184,807	-	34,924
Bank borrowings	23	1,079,165	1,024,625	-	-
		8,366,508	6,535,988	826,408	568,225
Total liabilities		9,058,500	7,278,736	826,408	568,225
Total equity and liabilities		4,070,639	5,814,349	277,038	894,269

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	28	3,521,187	6,380,850	-	-
Cost of sales		(3,272,101)	(5,440,188)	-	-
Gross profit		249,086	940,662	-	-
Other income		508,014	151,933	1,117,875	1,724,870
		757,100	1,092,595	1,117,875	1,724,870
Selling and distribution expenses		(2,803)	(33,176)	-	-
Administrative expenses		(4,164,779)	(5,831,877)	(1,353,029)	(1,964,284)
Other expenses		(849,200)	(2,909,322)	(35,643)	(8,239,943)
Finance costs	29	(148,071)	(58,744)	(1,076)	(2,987)
Reversal of impairment losses/(Impairment losses) on financial assets	30	1,363,324	(9,909,107)	(253,541)	(3,639,141)
Loss before taxation	31	(3,044,429)	(17,649,631)	(525,414)	(12,121,485)
Taxation	32	(14,516)	(317,038)	-	(20,160)
Loss after taxation		(3,058,945)	(17,966,669)	(525,414)	(12,141,645)
Other comprehensive (expenses)/income					
Items that will not be reclassified subsequently to Profit or Loss					
Fair value changes of other investments		(117,250)	350,000	(117,250)	350,000
Loss on disposal of other investments		(232,750)	-	(232,750)	-
Comprehensive expense for the financial year brought forward		(3,408,945)	(17,616,669)	(875,414)	(11,791,645)

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

		The Group		The Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Comprehensive expense for the financial year carried forward		(3,408,945)	(17,616,669)	(875,414)	(11,791,645)
Items that will be reclassified subsequently to Profit or Loss					
Foreign currency translation differences		(114,529)	516,144	-	-
Total comprehensive expenses for the financial year		(3,523,474)	(17,100,525)	(875,414)	(11,791,645)
Loss after taxation attributable to:					
Owners of the Company		(2,100,584)	(15,034,459)	(525,414)	(12,141,645)
Non-controlling interests		(958,361)	(2,932,210)	-	-
		(3,058,945)	(17,966,669)	(525,414)	(12,141,645)
Total comprehensive expenses attributable to:					
Owners of the Company		(2,432,092)	(14,252,549)	(875,414)	(11,791,645)
Non-controlling interests		(1,091,382)	(2,847,976)	-	-
		(3,523,474)	(17,100,525)	(875,414)	(11,791,645)
Loss per share (sen)					
Basic	33	(1.11)	(7.97)		
Diluted	33	(1.11)	(7.97)		

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	<------	Non-distributable			------>	Distributable			
	Share capital RM	Appropriated legal reserve RM	Foreign exchange translation reserve RM	Fair value reserve RM	Merger deficit RM	Retained profits/ (Accumulated losses) RM	Attributable to owners of the Company RM	Non-controlling interest RM	Total equity RM
As at 1 January 2021	14,506,205	19,647	(345,671)	-	(6,104,634)	8,369,468	16,445,015	(808,877)	15,636,138
Loss after taxation	-	-	-	-	-	(15,034,459)	(15,034,459)	(2,932,210)	(17,966,669)
Other comprehensive income:									
- Fair value changes of other investments	-	-	-	350,000	-	-	350,000	-	350,000
- Foreign currency translation differences	-	-	431,910	-	-	-	431,910	84,234	516,144
Total comprehensive income/(expenses) for the financial year	-	-	431,910	350,000	-	(15,034,459)	(14,252,549)	(2,847,976)	(17,100,525)
As at 31 December 2021	14,506,205	19,647	86,239	350,000	(6,104,634)	(6,664,991)	2,192,466	(3,656,853)	(1,464,387)

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		<------Non-distributable	------	------	------>	Distributable			
	Share capital RM	Appropriated legal reserve RM	Foreign exchange translation reserve RM	Fair value reserve RM	Merger deficit RM	Retained profits/ (Accumulated losses) RM	Attributable to owners of the Company RM	Non-controlling interest RM	Total equity RM
As at 1 January 2022	14,506,205	19,647	86,239	350,000	(6,104,634)	(6,664,991)	2,192,466	(3,656,853)	(1,464,387)
Loss after taxation	-	-	-	-	-	(2,100,584)	(2,100,584)	(958,361)	(3,058,945)
Other comprehensive income/(loss):									
- Fair value changes of other investments	-	-	-	(117,250)	-	-	(117,250)	-	(117,250)
- Loss on disposal of other investments	-	-	-	(232,750)	-	-	(232,750)	-	(232,750)
- Foreign currency translation differences	-	-	18,492	-	-	-	18,492	(133,021)	(114,529)
Total comprehensive income/(expenses) for the financial year	-	-	18,492	(350,000)	-	(2,100,584)	(2,432,092)	(1,091,382)	(3,523,474)
As at 31 December 2022	14,506,205	19,647	104,731	-	(6,104,634)	(8,765,575)	(239,626)	(4,748,235)	(4,987,861)

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

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Company	**Share capital RM**	**Non-distributable fair value reserve RM**	**Accumulated losses RM**	**Total equity RM**
As at 1 January 2021	14,506,205	-	(2,388,516)	12,117,689
Loss after taxation	-	-	(12,141,645)	(12,141,645)
Other comprehensive income:				
- Fair value changes of other investments	-	350,000	-	350,000
Total comprehensive income/(expense) for the financial year	-	350,000	(12,141,645)	(11,791,645)
As at 31 December 2021	14,506,205	350,000	(14,530,161)	326,044
As at 1 January 2022	14,506,205	350,000	(14,530,161)	326,044
Loss after taxation	-	-	(525,414)	(525,414)
Other comprehensive loss:				
- Fair value changes of other investments	-	(117,250)	-	(117,250)
- Loss on disposal of other investments	-	(232,750)	-	(232,750)
Total comprehensive expense for the financial year	-	(350,000)	(525,414)	(875,414)
As at 31 December 2022	14,506,205	-	(15,055,575)	(549,370)

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Cash Flows Used In Operating Activities				
Loss before taxation	(3,044,429)	(17,649,631)	(525,414)	(12,121,485)
Adjustments for:				
Bad debts written off	428,385	14,620	-	-
Depreciation of equipment	179,866	539,000	-	-
Depreciation of right-of-use assets	207,111	276,089	33,968	33,969
Development cost written off	-	1,211,379	-	-
Deposits written off	-	24,911	-	-
(Reversal of impairment loss)/Impairment loss:				
- investment in a subsidiary	-	-	-	8,205,974
- equipment	-	139,601	-	-
- trade receivables	(1,363,324)	9,655,647	-	-
- other receivables		253,460	-	-
- amount due from subsidiaries	-	-	253,541	3,639,141
Equipment written off	42,813	444,205	-	-
Interest expense	148,071	58,744	1,076	2,987
Loss on fair value changes of financial asset	1,675	-	1,675	-
Provision for employee benefits obligation	(13,883)	19,848	-	-
Unrealised gain on foreign exchange	(210,601)	(20,075)	-	-
Gain on disposal of equipment	(7,933)	-	-	-
Interest income	(5,707)	(1,866)	-	(107)
Gain on lease modification	-	(1,858)	-	-
Operating loss before working capital changes	(3,637,956)	(5,035,926)	(235,154)	(239,521)

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Operating loss before working capital changes	(3,637,956)	(5,035,926)	(235,154)	(239,521)
Changes in working capital				
Increase/(Decrease) in contract assets, trade and other receivables	2,671,074	5,908,143	18,153	(26,340)
Decrease/(Increase) in trade and other payables	447,978	(685,227)	14,047	97,489
Cash (used in)/generated from operating activities	(518,904)	186,990	(202,954)	(168,372)
Income tax paid	(345,990)	(1,512,696)	(50,000)	(169,239)
Interest paid	(64,934)	(12,428)	-	-
Net cash used in operating activities	(929,828)	(1,338,134)	(252,954)	(337,611)
Cash Flows From/(Used In) Investing Activities				
Acquisition of associate company	-	(30)	-	-
Acquisition of quoted investment	-	(200,000)	-	(200,000)
Development cost paid	-	(830,072)	-	-
Interest income received	5,707	1,866	-	107
Net changes in amount due from associate company	(8,171)	-	-	-
Net changes in amount due from immediate holding company	16,129	2	-	-
Net changes in amount due from subsidiaries	-	-	(134,541)	(368,388)
Net proceeds from disposal of quoted shares	133,000	-	133,000	-
Proceeds from disposal of equipment	26,204	-	-	-
Purchase of equipment	(121,404)	(34,775)	-	-
Net cash from/(used in) investing activities	51,465	(1,063,009)	(1,541)	(568,281)

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

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Cash Flows From/(Used In) Financing Activities				
Interest paid	(83,137)	(46,316)	(1,076)	(2,987)
Increase in pledged fixed deposits with licensed banks	(124,541)	(200,830)	-	-
Net changes in amount owing to a subsidiary	-	-	(145,000)	(117,400)
Net changes in amount owing to ultimate holding company	(3,600)	7,114	-	-
Net changes in amount owing to a director	1,892,531	144,904	424,060	50,500
Repayment of credit card instalments	(96,981)	-	-	-
Repayment of lease liabilities	(169,695)	(241,176)	(34,924)	(33,013)
Repayment of term loan	(11,319)	(16,073)	-	-
Net cash from/(used in) financing activities	1,403,258	(352,377)	243,060	(102,900)
Net changes in cash and cash equivalents	524,895	(2,753,520)	(11,435)	(1,008,792)
Effects of foreign exchange translation	(682,779)	(1,725)	-	-
Cash and cash equivalents at beginning of the financial year	(711,531)	2,043,714	12,473	1,021,265
Cash and cash equivalents at end of the financial year	(869,415)	(711,531)	1,038	12,473

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Cash and cash equivalents comprises:				
Cash and bank balances	134,768	283,226	1,038	12,473
Fixed deposits with licensed banks	378,968	254,427	-	-
Bank overdraft	(1,004,183)	(994,757)	-	-
	(490,447)	(457,104)	1,038	12,473
Less: Fixed deposits pledged to licensed banks	(378,968)	(254,427)	-	-
	(869,415)	(711,531)	1,038	12,473

MCOM HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The principal place of business of the Company is at No. 2-7 & 3-7, Jalan Puteri 4/6, Bandar Puteri Puchong, 47100 Puchong, Selangor.

The registered office of the Company is located at Unit 3A-12, Level 3A, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The immediate and ultimate holding companies are MCatch Co., Ltd., a private limited company by shares incorporated in Hong Kong, China and BHC Holdings Sdn Bhd, a private limited company incorporated in Malaysia.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

The Group and the Company incurred a net loss of RM3,058,945 and RM525,414 (2021: RM17,966,669 and RM12,141,645), respectively during the financial year ended 31 December 2022, and as of that date, the net current liabilities of the Group and the Company amounted to RM4,889,243 and RM614,695 (2021: RM2,124,966 and RM257,924), respectively and they had a deficit in its shareholders' equity of RM239,626 and RM549,370 (2021: NIL and NIL), respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern and therefore it may unable to realise its asset and discharge its liabilities in the normal course of business. Notwithstanding these conditions, the financial statements of the Group and the Company have been prepared on going concern basis as the directors of the Company undertaken to provide appropriate financial support to the Group and the Company to enable it to meet its obligations as and when they fall due.

2. **Basis of Preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Adoption of amended standards

During the financial year, the Group and of the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendment to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract

Annual improvements to MFRS Standards 2018 – 2020:
- Amendments to MFRS 1
- Amendments to MFRS 9
- Amendments to MFRS 16
- Amendments to MFRS 141

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRS and new amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for annual periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023

2. **Basis of Preparation (Cont'd)**

(a) **Statement of Compliance (Cont'd)**

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new MFRS and new amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company: (Cont'd)

		Effective dates for annual periods beginning on or after
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRS and amendments to MFRSs when they become effective.

The initial application of the MFRS and amendments to MFRSs are not expected to have any material financial impacts on the financial statements of the Group and the Company.

(b) **Functional and Presentation Currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

2. **Basis of Preparation (Cont'd)**

(c) **Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for assumptions revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(i) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(ii) The Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; or

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

When the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

2. Basis of Preparation (Cont'd)

(c) Significant Accounting Judgements, Estimates and Assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Depreciation of equipment

The estimates for the residual values, useful lives and related depreciation charges for the equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of equipment as at the reporting date is disclosed in Note 4 to the financial statements.

Impairment of non-financial assets

The Group determines whether an item of its non-financial asset is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of the non-financial assets as at the reporting date are disclosed in Notes 4, 5 and 10 to the financial statements.

2. **Basis of Preparation (Cont'd)**

(c) **Significant Accounting Judgments, Estimates and Assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Impairment of receivables and contract assets

The Group reviews the recoverability of its receivables including trade and other receivables and contract assets at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical experience and informed credit assessment and including forward-looking information when available.

The carrying amounts at the reporting date for receivables and contract assets are disclosed in Notes 11, 12 and 13 to the financial statements.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2022, the Group has current tax assets and current tax liabilities of RM324,356 and RM115,599 (2021: RM231,408 and RM336,176), respectively and the Company has current tax asset of RM201,488 (2021: RM151,488).

Discount rates used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end to the reporting period in which the combinations occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(ii) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(i)(i) to the financial statements on impairment of non-financial assets.

(iii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iv) Disposal of subsidiary companies

If the Group losses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(v) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. A bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(i)(i) to the financial statements on impairment of non-financial assets.

(b) **Foreign currency transaction and balances**

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) **Equipment**

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

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

3. **Significant Accounting Policies (Cont'd)**

(c) **Equipment (Cont'd)**

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

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

Office equipment	20%
Furniture and fittings	10 – 20%
Computer	20 – 33%
Renovation	10%
Tools	20%

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(d) **Leases**

As lessee

The Group and the Company recognise a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(i)(i) to the financial statements.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of equipment as follows:

Motor vehicles	5 years
Office premises	2 years

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's and the Company's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group and the Company change its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option.

3. **Significant Accounting Policies (Cont'd)**

(e) **Financial assets**

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, amount due from subsidiary companies, derivative financial assets and deposits, bank and cash balances.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Fair value through other comprehensive income ("FVOCI")

Debt instruments

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI") on an investment-by-investment basis.

3. **Significant Accounting Policies (Cont'd)**

(e) **Financial assets (Cont'd)**

(ii) Fair value through other comprehensive income ("FVOCI") (Cont'd)

Equity instruments (Cont'd)

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value adjustment reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVOCI.

(iii) Financial assets at fair value through profit or loss ("FVTPL")

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(f) **Financial liabilities**

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) **Impairment of assets**

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets, asset held for sale and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

3. **Significant Accounting Policies (Cont'd)**

(i) **Impairment of assets (Cont'd)**

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

3. **Significant Accounting Policies (Cont'd)**

(i) **Impairment of assets (Cont'd)**

(ii) Financial assets (Cont'd)

For trade receivables, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) **Share capital**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(k) **Research and development expenditure**

Research expenditure is recognised as an expense when it is incurred.

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

(i) Its ability to measure reliably the expenditure attributable to the asset under development;
(ii) the product or process is technically and commercially feasible;
(iii) its future economic benefits are probable;
(iv) its intention to complete and the ability to use or sell the developed asset; and
(v) the availability of adequate technical, financial and other resources to complete the asset under development.

3. **Significant Accounting Policies (Cont'd)**

(k) **Research and development expenditure (Cont'd)**

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

The development expenditure is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

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

(l) **Contract asset**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9 Financial Instruments (see Note 3(i)(ii)).

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

(m) **Provision**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

3. Significant Accounting Policies (Cont'd)

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined benefit plan

As required by law, the Group's foreign subsidiary operates an unfunded final salary defined benefit plan for its employees. The liability in respect of the defined benefit plan is the present value of the future benefits that employees have earned in return for their services rendered in the current and prior periods. The liability in respect of the unfunded defined benefit scheme is based on rates set out by the Group and the number of years of service of its employees.

3. **Significant Accounting Policies (Cont'd)**

(o) **Revenue recognition**

Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised goods or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(i) Rendering of mobile payment solutions and mobile advertising platforms services

Revenue is recognised at point in time when the services have been rendered to the customers.

(ii) Rendering of internet services

Revenue is recognised over time in the period in which the services are rendered.

Revenue from other sources

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

(p) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. **Significant Accounting Policies (Cont'd)**

(q) **Income taxes**

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting year, any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities at the end of the reporting year. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be utilised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be utilised.

4. Equipment

The Group	At 1 January RM	Additions RM	Disposals RM	Impairment loss RM	Written off RM	Depreciation charges RM	Foreign currency translation differences RM	At 31 December RM
2022								
Carrying amount								
Office equipment	11,442	-	(141)	-	-	(5,207)	9	6,103
Furniture and fittings	2,129	-	(35)	-	-	(866)	37	1,265
Computer	314,817	121,404	(16,422)	-	(42,813)	(173,349)	1,229	204,866
Renovation	13	-	-	-	-	-	-	13
Tools	2,013	-	(1,673)	-	-	(444)	104	-
Capital work in progress	-	-	-	-	-	-	-	-
	330,414	121,404	(18,271)	-	(42,813)	(179,866)	1,379	212,247
2021								
Carrying amount								
Office equipment	24,422	800	-	(178)	(2,511)	(11,157)	66	11,442
Furniture and fittings	7,198	1,550	-	(2,281)	(774)	(3,766)	202	2,129
Computer	1,281,640	32,425	-	(111,603)	(389,842)	(521,560)	23,757	314,817
Renovation	13	-	-	-	-	-	-	13
Tools	6,333	-	-	(1,995)	-	(2,517)	192	2,013
Capital work in progress	72,614	-	-	(23,544)	(51,078)	-	2,008	-
	1,392,220	34,775	-	(139,601)	(444,205)	(539,000)	26,225	330,414

4. **Equipment (Cont'd)**

The Company	**At Cost RM**	**Impairment loss RM**	**Accumulated depreciation RM**	**Carrying amount RM**
2022				
Office equipment	91,527	(190)	(85,234)	6,103
Furniture and fittings	142,552	(2,427)	(138,860)	1,265
Computer	1,346,339	(118,966)	(1,022,507)	204,866
Renovation	492,029	-	(492,016)	13
Tools	11,743	(2,127)	(9,616)	-
Capital work in progress	25,101	(25,101)	-	-
	2,109,291	(148,811)	(1,748,233)	212,247
2021				
Office equipment	91,225	(180)	(79,603)	11,442
Furniture and fittings	141,820	(2,297)	(137,394)	2,129
Computer	1,463,700	(112,577)	(1,036,306)	314,817
Renovation	492,029	-	(492,016)	13
Tools	12,704	(2,013)	(8,678)	2,013
Capital work in progress	23,753	(23,753)	-	-
	2,225,231	(140,820)	(1,753,997)	330,414

5. **Right-of-use Assets**

	At 1 January RM	Addition RM	Lease modification RM	Depreciation charges RM	Foreign currency translation differences RM	At 31 December RM
The Group						
2022						
Carrying Amount						
Motor vehicles	449,285	-	-	(133,513)	-	315,772
Lease of office	73,598	-	-	(73,598)	-	-
	522,883	-	-	(207,111)	-	315,772
2021						
Carrying Amount						
Motor vehicles	582,798	-	-	(133,513)	-	449,285
Lease of office	172,440	139,330	(96,294)	(142,576)	698	73,598
	755,238	139,330	(96,294)	(276,089)	698	522,883

5. **Right-of-use Assets (Cont'd)**

	At 1 January RM	Termination RM	Depreciation charges RM	At 31 December RM
The Company				
2022				
Carrying Amount				
Lease of office	33,968	-	(33,968)	-

	At 1 January RM	Addition RM	Depreciation charges RM	At 31 December RM
2021				
Carrying Amount				
Lease of office	-	67,937	(33,969)	33,968

The Group leases motor vehicles and office premises of which the leasing activities are summarised as below:

(i) Motor vehicles	The Group has leased its motor vehicles under hire purchase arrangements. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.
(ii) Office premises	The Group has leased office premises for 2 years (2021 - 2 years), with an option to renew after that date.

6. Other Investment

	The Group and The Company	
	2022	2021
	RM	RM
Non-current		
Quoted ordinary shares, at fair value	65,325	550,000

The Group and the Company have designated the equity investments at fair value through other comprehensive income because the Group and the Company intend to hold for long-term strategic purposes.

7. Investments in Subsidiaries

	The Company	
	2022	2021
	RM	RM
Unquoted shares, at cost		
Cost	8,249,495	8,249,495
Accumulated impairment losses	(8,249,495)	(8,249,495)
	-	-
Accumulated impairment losses:		
At 1 January	(8,249,495)	(43,521)
Addition during the financial year	-	(8,205,974)
At 31 December	(8,249,495)	(8,249,495)

7. **Investments in Subsidiaries (Cont'd)**

a. The details of the subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal Activities
MCatch (L) Bhd ("MCatch Labuan")	Malaysia	100	100	Provision of mobile advertising platform services.
MCOM Messaging Sdn Bhd ("MCOM Messaging (M)")	Malaysia	100	100	Provision of mobile payment solution services and management services.
MCOM Network Sdn Bhd ("MCOM Network")	Malaysia	100	100	Provision of mobile payment solution service.
M-Media Co., Ltd. ("M-Media")	Cambodia	85	85	Provision of internet and related IT services.
MCOM Messaging (Thailand) Co., Ltd. ("MCOM Messaging (T)")*#	Thailand	47.525	47.525	Provision of mobile payment solution services.
Held by MCOM Messaging (T)				
Ivalent Co., Ltd. ("Ivalent")*	Thailand	34.99	34.99	Provision of mobile payment solution services.
Held by Ivalent				
Streamer Tech Co., Ltd. ("Streamer Tech")*	Thailand	90	90	Provision of mobile payment solution services.

* *These subsidiaries were audited by a member firm of UHY which UHY KL is a member.*

\# *MCOM Messaging (T) is deemed to be a subsidiary of the Company as the Company hold more than 50% of the voting rights in MCOM Messaging (T).*

7. **Investments in Subsidiaries (Cont'd)**

b. The non-controlling interests at the end of the reporting period comprise the following:

	Effective equity interest	
	2022	**2021**
	%	**%**
MCOM Messaging (T) and its subsidiaries	51.25	51.25
M-Media	15	15

	(Loss)/Profit allocated to non-controlling interest		Accumulated non-controlling interests	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
MCOM Messaging (T) and its subsidiaries	(961,606)	(2,696,633)	(3,816,033)	(2,771,629)
M-Media	3,245	(235,577)	(932,202)	(885,224)
	(958,361)	(2,932,210)	(4,748,235)	(3,656,853)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is as follows:

MCOM Messaging (T) and its subsidiaries

(i) Summarised of statement of financial position

	2022	**2021**
	RM	**RM**
Non-current assets	3,751	7,409
Current assets	1,800,226	2,088,638
Non-current liabilities	(195,852)	(205,411)
Current liabilities	(9,817,977)	(7,823,583)
Non-controlling interests	(1,253,136)	(945,568)
Net liabilities	(9,462,988)	(6,878,515)

(ii) Summarised of statement of profit or loss

Revenue	1,126,237	3,221,112
Loss for the financial year	(2,102,065)	(6,079,446)
Total comprehensive expenses	(1,821,280)	(4,678,840)

7. **Investments in Subsidiaries (Cont'd)**

b. The non-controlling interests at the end of the reporting period comprise the following: (Cont'd)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is as follows: (Cont'd)

MCOM Messaging (T) and its subsidiaries (Cont'd)

(iii) Summarised of statement of cash flow

	2022 RM	2021 RM
Net cash flows from/(used in) operating activities	110,667	(250,565)
Net cash flows from/(used in) investing activities	31	(8,291)

M-Media

(i) Summarised of statement of financial position

	2022 RM	2021 RM
Non-current assets	-	24,914
Current assets	371	24,667
Current liabilities	(6,215,053)	(5,951,072)
Net liabilities	(6,214,682)	(5,901,491)

(ii) Summarised of statement of profit or loss

Revenue	-	4,471
Profit/(Loss) for the financial year	21,632	(1,570,509)
Total comprehensive income/(expenses)	21,632	(1,570,509)

(iii) Summarised of statement of cash flow

Net cash flows (used in)/from operating activities	(78,308)	41,785
Net cash flows used in financing activities	-	(49,598)

8. Investment in an Associate

	The Group	
	2022 RM	2021 RM
Unquoted share, at cost	30	30

The details of the associate are as follows:

Name of Associate company	Country of Incorporation	Effective interest 2022 %	Effective interest 2021 %	Principal Activities
Geniuzzoft Sdn. Bhd.	Malaysia	30	30	Dormant

9. Deferred Tax Assets/(Liability)

	The Group	
	2022 RM	2021 RM
At 1 January	-	27,478
Recognised in profit or loss (Note 32)	-	(24,363)
Foreign currency translation differences	-	(3,115)
At 31 December	-	-

The net deferred tax assets and liabilities shown on the statement of financial position after appropriate offsetting are as follows:

	The Group	
	2022 RM	2021 RM
Net deferred tax assets	23,983	-
Net deferred tax liabilities	(23,983)	-
	-	-

The components and movements of deferred tax assets and liabilities are as follows:

	Unabsorbed capital allowances RM	Total RM
Deferred tax asset		
At 1 January 2022	-	-
Recognised in profit or loss	(12,368)	(12,368)
Underrecognised in prior year	36,351	36,351
At 31 December 2022	23,983	23,983

9. **Deferred Tax Assets/(Liability) (Cont'd)**

	Accelerated capital allowances RM	Total RM
Deferred tax liability		
At 1 January 2022	-	-
Recognised in profit or loss	12,368	12,368
Underprovision in prior year	(36,351)	(36,351)
At 31 December 2022	(23,983)	(23,983)

No deferred tax assets recognised in respect of the following item as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unused tax losses	1,389,266	799,036	290,995	162,710
Unabsorbed capital allowances	167,380	26,593	-	-
Other temporary differences	7,940,519	6,942,559	3,892,682	3,639,141
	9,497,165	7,768,188	4,183,677	3,801,851

10. **Development Costs**

	The Group	
	2022 RM	2021 RM
Cost:		
At 1 January	-	381,307
Addition during the financial year	-	830,072
Written off during the financial year	-	(1,211,379)
At 31 December	-	-
Included in additions during the financial year are:		
Staff costs	-	136,068
Software developers	-	694,004

The development costs were in respect of the development of E-commerce Ecosystem One Stop Solution Platform that connects all parties/key players (i.e. manufacturer, reseller, affiliate marketing, payment gateway and logistic) in the E-commerce industry. Development costs are not amortised as these assets are not yet available for use.

11. Contract Assets

	The Group	
	2022	2021
	RM	RM
Unbilled revenue	272,651	647,828

The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

12. Trade Receivables

	The Group	
	2022	2021
	RM	RM
Trade receivables	10,686,439	12,042,258
Less: Allowance for impairment losses	(9,287,450)	(10,096,933)
	1,398,989	1,945,325
Allowance for impairment losses:		
At 1 January	10,096,933	386,777
Additions during the financial year	468,954	9,655,647
Reversal during the financial year	(1,832,278)	-
Written off during the financial year	-	(41,802)
Foreign currency translation differences	553,841	96,311
At 31 December	9,287,450	10,096,933

The Group's normal trade credit term is 30 to 60 days (2021: 30 to 60 days). These balances are unsecured and non-bearing interests. They recognised at their original invoice amounts that represent their fair value on initial recognition.

The loss allowance account in respect of receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount is considered irrecoverable is written off against the receivable directly.

12. **Trade Receivables (Cont'd)**

The ageing analysis of the trade receivables as at the end of the reporting period are as follows:

	Gross RM	**Credit impaired**	**Life loss allowance**	**Total RM**
2022				
Neither past due nor impaired	159,403	-	-	159,403
Past due more than				
- 30 days	105,208	-	(5,906)	99,302
- 30 to 60 days	2,125	(2,125)	-	-
- 60 to 90 days	26,654	(3,890)	(4,854)	17,910
- More than 90 days	1,430,746	(7,344)	(350,211)	1,073,191
- More than 1 year	8,962,303	(8,913,120)	-	49,183
	10,686,439	(8,926,479)	(360,971)	1,398,989

	Gross RM	**Credit impaired RM**	**Total RM**
2021			
Neither past due nor impaired	82,277	-	82,277
Past due more than			
- 30 days	316,815	(1,487)	315,328
- 30 to 60 days	66,005	-	66,005
- 60 to 90 days	8,122	-	8,122
- More than 90 days	2,621,109	(1,758,943)	862,166
- More than 1 year	8,947,930	(8,336,503)	611,427
	12,042,258	(10,096,933)	1,945,325

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

13. Other Receivables, Deposits and Prepayments

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other receivables	129,791	470,974	-	18,340
Allowance for impairment losses	-	(255,672)	-	-
	129,791	215,302	-	18,340
Deposits	29,189	37,500	9,000	9,000
Prepayments	21,980	67,162	187	-
Sales tax receivable	157,312	183,491	-	-
Withholding tax receivable	621,090	530,019	-	-
	959,362	1,033,474	9,187	27,340
Allowance for impairment losses:				
At 1 January	(255,672)	-	-	-
Addition during the financial year	-	(253,460)	-	-
Written off during the financial year	268,908	-	-	-
Foreign currency translation differences	(13,236)	(2,212)	-	-
At 31 December	-	(255,672)	-	-

14. Amount Due from Immediate Holding Company

The amount due from immediate holding company was non-trade in nature, unsecured, interest-free, and receivable on demand.

15. **Amount Due from/(Owing to) Subsidiaries**

	The Company	
	2022	**2021**
	RM	**RM**
Amount Due from Subsidiaries		
Current		
Non-trade balances	3,892,682	3,758,141
Allowance for impairment losses	(3,892,682)	(3,639,141)
	-	119,000
Allowance for impairment losses:		
At 1 January	3,639,141	-
Impairment loss recognised during the financial year	3,892,682	3,639,141
Reversal during the financial year	(3,639,141)	-
At 31 December	3,892,682	3,639,141
Amount Owing to Subsidiaries		
Current		
Non-trade balances	(20,600)	(165,600)

The amounts due from/(owing to) subsidiaries are non-trade in nature, unsecured, interest-free, and receivable/(repayable) on demand.

16. **Amount Due from Associate Company**

The amount due from associate company is non-trade in nature, unsecured, interest-free, and receivable on demand.

17. **Fixed Deposits with Licensed Banks**

(a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.55% to 2.85% (2021: 1.55% to 1.85%) per annum. The fixed deposits have maturity period of 12 months (2021: 12 months).

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period is an amount of RM378,968 (2021: RM254,427) which has been pledged to the licensed bank as security for banking facilities granted to the Group as disclosed in Notes 23 to the financial statements.

18. **Share Capital**

	The Group/The Company			
	Number of shares		Amount	
	2022	2021	2022	2021
	Units	Units	RM	RM
Issued and fully paid				
Ordinary Shares	188,559,908	188,559,908	14,506,205	14,506,205

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

19. **Merger Deficit**

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries, under the merger accounting principles.

20. **Reserves**

		The Group		The Company	
		2022	2021	2022	2021
		RM	RM	RM	RM
Appropriate legal reserve	(a)	19,647	19,647	-	-
Foreign exchange translation reserve	(b)	104,731	86,239	-	-
Fair value reserve	(c)	-	350,000	-	350,000
Accumulated losses		(8,765,575)	(6,664,991)	(15,055,575)	(14,530,161)
		(8,641,197)	(6,209,105)	(15,055,575)	(14,180,161)

(a) Appropriate Legal Reserve

The Appropriate Legal Reserve relates to MCOM Messaging (T) and lvalent.

According to Civil Law 1202 Reserve Fund, MCOM Messaging (T) and lvalent must appropriate to a reserve fund, at each distribution of dividend, at least 5% of the profits arising from the business of MCOM Messaging (T) and lvalent, until the reserve fund reaches 10% of the capital of MCOM Messaging (T) and lvalent or such higher proportion thereof as may be stipulated in the regulations of MCOM Messaging (T) and lvalent.

The appropriate earnings cannot be deducted from deficit and cannot be paid out as dividends.

20. **Reserves (Cont'd)**

(b) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

(c) Fair Value Reserve

The fair value reserve represented the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

21. **Employee Benefits Obligation**

	The Group	
	2022	**2021**
	RM	**RM**
As 1 January	205,411	200,423
(Decrease)/Increase during the year	(13,883)	19,848
Foreign currency translation differences	4,324	(14,860)
At 31 December	195,852	205,411

The employee benefits obligation relates to MCOM Messaging (T) and lvalent.

According to the Thai labour law – "Labour Protection Act (No. 6) B.E. 2560 (2017)" which was legally effective from the 1st September 2017, this amendment establishes a fixed retirement age for all employees at 60 years old. Once the employee turns 60 they will be entitled to Severance Pay as under the new law, retirement will be considered as a form of job termination, requiring employers to compensate retiring employees. The liability for retirement of employee and other long-term employee benefits is recognised based on the best estimation at the date of reporting.

The liability for post-employment benefits represents the obligations payable to the employees when they reach retirement age. The provision amounts are based on the employee's age, length of employment services and other relevant assumptions. The valuation of was generally based on management's discretion and no registered actuarial consulting firm had been engaged in calculating the post-employment benefits.

The directors are of the opinion the cost may outweigh the benefits derived as the amount involved is immaterial.

22. Lease Liabilities

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
As 1 January	527,385	726,403	34,924	-
Additions	-	139,330	-	67,937
Lease modification	-	(98,152)	-	
Interest expense recognised in profit or loss (Note 29)	21,107	30,462	1,076	2,987
Repayment of principal	(169,695)	(241,176)	(34,924)	(33,013)
Repayment of interest expense	(21,107)	(30,462)	(1,076)	(2,987)
Foreign currency translation differences	-	980	-	-
At 31 December	357,690	527,385	-	34,924
Analysed by:				
Current liabilities	117,899	184,807	-	34,924
Non-current liabilities	239,791	342,578	-	-
	357,690	527,385	-	34,924

23. Bank Borrowings

	2022 RM	2021 RM
Current		
Bank overdraft	1,004,183	994,757
Credit card instalments	43,050	-
Term loan	31,932	29,868
	1,079,165	1,024,625
Non-current		
Credit card instalments	74,973	-
Term loan	181,376	194,759
	256,349	194,759
	1,335,514	1,219,384

23. Bank Borrowings (Cont'd)

(a) Bank Overdraft

The interest rates of the Company for the bank overdrafts as at reporting date is at 0.75% per annum above Base Financing Rate ("BFR"). The bank overdrafts are denominated at RM and is secured by the following:

(i) joint and several guarantee by two Directors of the Group; and
(ii) a lien over the fixed deposit of the Group as disclosed in Note 17 to the financial statements.

(b) Term loan

The term loan of the Group at the end of reporting period bore an effective rate of 11.45% (2021: 11.45%) per annum and is secured by a pledge of certain fixed deposits with a licensed bank of the Group as disclose in Note 17 to the financial statements.

(c) Credit card instalments

The payment arrangements of credit card bore the interest rate ranging from 14.34% to 18% (2021: Nil) per annum.

The maturity of the bank borrowings of the Group are as follows:

	2022 RM	**2021 RM**
Within one year	1,079,165	1,024,624
More than 1 year and less than 2 years	79,942	49,520
More than 2 years and less than 5 years	170,719	139,551
More than 5 years	5,688	5,689
	1,335,514	1,219,384

24. Trade Payables

The normal credit terms of trade payables of the Group are ranging from 30 to 90 days (2021: 30 to 90 days) depending on the terms of the contracts.

25. Other Payables and Accruals

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables	654,177	750,990	188,779	89,478
Sales tax payable	44,899	94,760	-	-
Accruals	2,707,285	977,619	142,469	227,723
	3,406,361	1,823,369	331,248	317,201

26. Amount Owing to Ultimate Holding Company

The amount owing to ultimate holding company is non-trade in nature, unsecured, interest-free, and receivable on demand.

27. Amount Owing to a Director

The amount owing to a Director is non-trade in nature, unsecured, interest-free, and receivable on demand.

28. Revenue

		The Group	
		2022 RM	2021 RM
Revenue from contracts with customers			
Revenue recognised at a point in time			
- mobile payment solution	(a)	1,266,492	3,600,504
- mobile advertising platform	(b)	2,254,695	2,775,875
		3,521,187	6,376,379
Revenue recognised over time			
- internet services	(c)	-	4,471
		3,521,187	6,380,850

28. **Revenue (Cont'd)**

(a) Mobile payment solutions

Revenue in respect of micropayment gateway for direct carrier billing services and third party payment gateway. Revenue is recognised on a net basis, which represents the margin earned.

(b) Mobile advertising platform

Revenue in respect of the assists in managing, deploying and monitoring of mobile advertisements. Revenue is recognised when mobile advertising services are rendered.

(c) Internet services

Revenue in respect of the provision of internet and related IT services. Revenue was recognised when internet services are rendered.

29. **Finance Costs**

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Interest expenses on:				
- lease liabilities	21,107	30,462	1,076	2,987
- term loan	51,369	15,854	-	-
- bank overdraft	64,934	11,411	-	-
- other	10,661	1,017	-	-
	148,071	58,744	1,076	2,987

30. **Reversal of Impairment Losses/(Impairment Losses) on Financial Assets**

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Reversal of impairment losses/(Impairment losses) on:				
- trade receivables	1,363,324	(9,655,647)	-	-
- other receivables	-	(253,460)	-	-
- amount due from subsidiaries	-	-	(253,541)	(3,639,141)
	1,363,324	(9,909,107)	(253,541)	(3,639,141)

31. Loss Before Taxation

Loss before taxation is arrived at after charging/(crediting):

	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:				
- current financial year	86,359	112,000	35,000	46,000
- non-audit fee	9,000	6,000	-	-
Other auditors:				
- audit fee				
- current financial year	40,724	100,357	-	-
- overprovision in the previous financial year	(9,579)	(727)	-	-
Bad debts written off	428,385	14,620	-	-
Depreciation of equipment	179,866	539,000	-	-
Depreciation of right-of-use assets	207,111	276,089	33,968	33,969
Development cost written off	-	1,211,379	-	-
Deposits written off	-	24,911	-	-
Equipment written off	42,813	444,205	-	-
Expense relating to short term leases	30,135	80,546	-	-
Gain on disposal of equipment	(7,933)	-	-	-
Impairment loss on investment in subsidiaries	-	-	-	8,205,974
Management fee charged to subsidiaries	-	-	(1,111,200)	(1,711,200)
(Reversal of provision)/Provision for employees benefits obligation	(13,883)	19,848	-	-
Staff costs (excluding directors' remuneration)				
- short-term employee benefits	2,175,169	2,504,181	543,239	476,000
- defined contribution benefits	97,952	202,875	41,712	51,205

31. **Loss Before Taxation (Cont'd)**

Loss before taxation is arrived at after charging/(crediting): (Cont'd)

	2022 RM	2021 RM	2022 RM	2021 RM
Realised loss on foreign exchange	98,611	92,866	-	-
Unrealised gain on foreign exchange	(210,601)	(20,075)	-	-
Interest income of financial assets measured at amortised cost:				
- fixed deposits with licensed bank	(5,619)	(1,674)	-	(107)
- others	(88)	(192)	-	-
Gain on lease modification	-	(1,858)	-	-

32. **Taxation**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Tax expense recognised in profit or loss:				
- Current year taxation	-	275,593	-	-
- Under provision in prior years	14,516	17,082	-	20,160
	14,516	292,675	-	20,160
Deferred taxation (Note 9):				
- Origination of temporary difference	-	(58,000)	-	-
- Underprovision in the prior financial year	-	82,363	-	-
	-	24,363	-	-
	14,516	317,038	-	20,160

32. **Taxation (Cont'd)**

A reconciliation of income tax credit applicable to loss before taxation at applicable statutory income tax rate to the income tax expense at the effective income tax rate of the Company is as follows:

	The Group		**The Company**	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Loss before tax	(3,044,429)	(17,649,631)	(525,414)	(12,121,485)
Tax at the Malaysian tax rate of 24% (2021: 24%)	(730,663)	(4,235,911)	(126,099)	(2,909,156)
Expenses not deductible for tax purposes	656,032	3,730,108	36,063	2,842,827
Non-taxable income	(423,713)	(24,082)	(1,602)	-
Deferred tax assets not recognised	414,954	-	91,638	-
Utilisation of deferred tax assets not recognised in prior financial year	-	455,360	-	66,329
Effects of differential in tax rates of subsidiaries	83,390	292,118	-	-
Under provision of tax expenses in previous financial year	14,516	17,082	-	20,160
Under provision of deferred taxation in previous financial year	-	82,363	-	-
Tax expenses for the financial year	14,516	317,038	-	20,160

32. **Taxation (Cont'd)**

The Group and the Company have unused tax losses and unutilised capital allowances available for carried forward to set-off against future taxable profit. The said amounts are subject to approval by the tax authorities. The breakdown are as follows:

	The Group		**The Company**	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Unused tax losses	1,389,266	799,036	290,995	162,710
Unutilised capital allowances	267,057	180,857	-	-
	1,656,323	979,893	290,995	162,710

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unused business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e from year assessment 2019 to 2028).

The unutilised capital allowances of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the Group and of the Company, subject to no substantial changes in shareholdings of the Group entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

	The Group		**The Company**	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Unused business losses to be carried forward until the year of assessment:				
- 2028	197,970	197,970	-	-
- 2029	56,021	56,021	-	-
- 2030	238,268	238,268	-	-
- 2031	306,777	306,777	162,710	162,710
- 2032	590,230	-	128,285	-
	1,389,266	799,036	290,995	162,710

33. Loss Per Share

	The Group	
	2022	**2021**
	RM	**RM**
Loss attributable to owners of the Company (RM)	(2,100,584)	(15,034,459)
Number of ordinary shares in issue	188,559,908	188,559,908
Basic loss per share (Sen)	(1.11)	(7.97)

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

34. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At 1.1.2022 RM	Advances/ (Repayments) RM	Others (i) RM	At 31.12.2022 RM
Group				
2022				
Amount owing to ultimate holding company	7,114	(3,600)	-	3,514
Amount owing to a director	144,904	1,892,531	-	2,037,435
Credit card instalments	-	(96,981)	215,004	118,023
Lease liabilities	527,385	(169,695)	-	357,690
Term loan	224,627	(11,319)	-	213,308
	904,030	1,610,936	215,004	2,729,970

	At 1.1.2021 RM	Advances/ (Repayments) RM	Others (i) RM	At 31.12.2021 RM
Group				
2021				
Amount owing to ultimate holding company	-	7,114	-	7,114
Amount owing to a director	-	144,904	-	144,904
Lease liabilities	726,403	(241,176)	42,158	527,385
Term loan	240,700	(16,073)	-	224,627
	967,103	(105,231)	42,158	904,030

(i) This represents the Group is using credit card instalments to repay the amount owing to trade and other payables, lease modification and foreign currency translation differences.

34. **Reconciliation of Liabilities Arising from Financing Activities (Cont'd)**

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At 1.1.2022 RM	Advances/ (Repayments) RM	Others (i) RM	At 31.12.2022 RM
Company				
2022				
Amount owing to a subsidiary	165,600	(145,000)	-	20,600
Amount owing to a director	50,500	424,060	-	474,560
Lease liabilities	34,924	(34,924)	-	-
	251,024	244,136	-	495,160

	At 1.1.2021 RM	Advances/ (Repayments) RM	Others (i) RM	At 31.12.2021 RM
Company				
2021				
Amount owing to a subsidiary	283,000	(117,400)	-	165,600
Amount owing to a director	-	50,500	-	50,500
Lease liabilities	-	(33,013)	67,937	34,924
	283,000	(99,913)	67,937	251,024

(i) This represents addition of lease liability arising from rental of office premises.

35. Related Party Disclosures

(a) Identifying Related Parties

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

Related parties also include key management personnel 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 comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group directly and indirectly.

(b) Significant Related Party Transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere to the financial statements, the significant related party transactions of the Group are as follows:

	The Group		**The Company**	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Management fee charged to subsidiaries	-	-	1,111,200	1,711,200
Rental of premises charged by ultimate holding company	(78,000)	(111,000)	(36,000)	(36,000)
Services rendered by a related party	-	(470,000)	-	-

35. **Related Party Disclosures (Cont'd)**

(c) **Compensation of Key Management Personnel**

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

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

	The Group		**The Company**	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Directors of the Company				
Short-term employee benefits:				
- fees	150,360	195,960	-	183,000
- salaries, bonuses and other benefits	832,798	1,319,766	432,600	871,047
	983,158	1,515,726	432,600	1,054,047
Defined contribution benefits	188,304	166,235	83,117	164,388
Total directors' remuneration	1,171,462	1,681,961	515,717	1,218,435
Other Key Management Personnel				
Short-term employee benefits	450,000	210,000	180,000	30,000
Defined contribution benefits	593	-	296	-
Total compensation for other key management personnel	450,593	210,000	180,296	30,000

36. Segment Information

Operating segments are prepared in a manner consistent with the internal reporting provided to the directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their services provided.

The Group is organised into 4 main reportable segments as follows:

- Mobile Payment Solutions
- Mobile Advertising Platform
- Internet Services
- Investment Holding

(a) The management assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

(b) Each reportable segment assets is measured based on all assets of the segment other than tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

(d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

36. Segment Information (Cont'd)

The Group	**Mobile Payment Solutions RM**	**Mobile Advertising Platform RM**	**Internet Services RM**	**Investment Holding RM**	**Group RM**
2022					
Revenue					
External revenue	1,266,492	2,254,695	-	-	3,521,187
Inter-segment revenue	1,347,600	801,001	-	-	2,148,601
	2,614,092	3,055,696	-	-	5,669,788
Consolidation adjustments/eliminations					(2,148,601)
Consolidated revenue					3,521,187
Results					
Segment (loss)/profit before interest and taxation	(2,840,420)	1,304,427	21,632	(1,381,997)	(2,896,358)
Finance costs	(82,061)	(64,934)	-	(1,076)	(148,071)
Consolidated (loss)/profit before taxation	(2,922,481)	1,239,493	21,632	(1,383,073)	(3,044,429)

36. Segment Information (Cont'd)

The Group	**Mobile Payment Solutions RM**	**Mobile Advertising Platform RM**	**Internet Services RM**	**Investment Holding RM**	**Group RM**
2022					
Segment loss before interest and taxation includes the following:					
Bad debts written off	1,411	158,066	268,908	-	428,385
Depreciation of equipment	171,933	-	7,933	-	179,866
Depreciation of right-of-use assets	173,143	-	-	33,968	207,111
Equipment written off	42,813	-	-	-	42,813
Reversal of impairment losses:					
- trade receivables	(125,102)	(1,238,222)	-	-	(1,363,324)
Interest expense on financial liability not at fair value through profit or loss:					
- lease liabilities	20,031	-	-	1,076	21,107
- term loan	51,369	-	-	-	51,369
- bank overdraft	-	64,934	-	-	64,934
- others	10,661	-	-	-	10,661
Loss/(Gain) on foreign exchange:					
- realised	90,475	8,143	(7)	-	98,611
- unrealised	(159,709)	(50,892)	-	-	(210,601)
Interest income on financial assets not at fair value through profit or loss:					
- fixed deposits with licensed banks	(875)	(4,744)	-	-	(5,619)
- others	(88)	-	-	-	(88)

36. **Segment Information (Cont'd)**

The Group	**Mobile Payment Solutions RM**	**Mobile Advertising Platform RM**	**Internet Services RM**	**Investment Holding RM**	**Group RM**
2022					
Assets					
Segment assets	2,688,574	1,439,318	371	75,550	4,203,813
Unallocated assets:					
- current tax assets					324,356
Consolidation adjustments/eliminations					(457,530)
Consolidated total assets					4,070,639
Additions to non-current assets other than financial instruments:					
- equipment	121,404	-	-	-	121,404
Liabilities					
Segment liabilities	16,573,145	5,315,376	6,215,053	826,408	28,929,982
Unallocated liabilities:					
- current tax liabilities					115,599
Consolidation adjustments/eliminations					(19,987,081)
Consolidated total liabilities					9,058,500

36. **Segment Information (Cont'd)**

The Group	**Mobile Payment Solutions RM**	**Mobile Advertising Platform RM**	**Internet Services RM**	**Investment Holding RM**	**Group RM**
2021					
Revenue					
External revenue	3,600,504	2,775,875	4,471	-	6,380,850
Inter-segment revenue	1,953,600	5,384,071	-	-	7,337,671
	5,554,104	8,159,946	4,471	-	13,718,521
Consolidation adjustments/eliminations					(7,337,671)
Consolidated revenue					6,380,850
Results					
Segment loss before interest and taxation	(2,243,572)	(11,794,860)	(1,567,873)	(1,984,583)	(17,590,888)
Finance costs	(41,679)	(11,411)	(2,666)	(2,987)	(58,743)
Consolidated loss before taxation	(2,285,251)	(11,806,271)	(1,570,539)	(1,987,570)	(17,649,631)

36. Segment Information (Cont'd)

The Group	**Mobile Payment Solutions RM**	**Mobile Advertising Platform RM**	**Internet Services RM**	**Investment Holding RM**	**Group RM**
2021					
Segment loss before interest and taxation includes the following:					
Bad debts written off	31	-	14,589	-	14,620
Depreciation of equipment	164,517	-	374,483	-	539,000
Depreciation of right-of-use assets	204,281	-	37,839	33,969	276,089
Equipment written off	230	-	443,975	-	444,205
Impairment loss:					
- trade receivables	234,787	9,420,860	-	-	9,655,647
- other receivables	-	-	253,460	-	253,460
- equipment	-	-	139,601	-	139,601
Development cost written off	-	1,211,379	-	-	1,211,379
Deposits written off	10,000	-	14,911	-	24,911
Interest expense on financial liability not at fair value through profit or loss:					
- lease liabilities	24,809	-	2,666	2,987	30,462
- term loan	15,854	-	-	-	15,854
- bank overdraft	-	11,411	-	-	11,411
- other	1,017	-	-	-	1,017
Loss/(Gain) on foreign exchange:					
- realised	97,853	(5,022)	35	-	92,866
- unrealised	(29,725)	9,650	-	-	(20,075)

36. **Segment Information (Cont'd)**

The Group	**Mobile Payment Solutions RM**	**Mobile Advertising Platform RM**	**Internet Services RM**	**Investment Holding RM**	**Group RM**
2021					
Interest income on financial assets not at fair value through profit or loss:					
- fixed deposits with licensed banks	(830)	(844)	-	-	(1,674)
- others	(85)	-	-	(107)	(192)

36. **Segment Information (Cont'd)**

The Group	**Mobile Payment Solutions RM**	**Mobile Advertising Platform RM**	**Internet Services RM**	**Investment Holding RM**	**Group RM**
2021					
Assets					
Segment assets	3,413,400	1,777,769	49,581	742,781	5,983,531
Unallocated assets:					
- current tax assets					231,408
Consolidation adjustments/eliminations					(400,590)
Consolidated total assets					5,814,349
Additions to non-current assets other than financial instruments:					
- equipment	34,775	-	-	-	34,775
- right-of-use assets	-	-	71,393	67,937	139,330
Liabilities					
Segment liabilities	13,749,681	5,518,730	5,951,072	568,225	25,787,708
Unallocated liabilities:					
- current tax liabilities					336,176
Consolidation adjustments/eliminations					(18,845,148)
Consolidated total liabilities					7,278,736

36. Segment Information (Cont'd)

Geographical Information

Revenue is based on the country in which the customers are located.

	The Group	
	2022	**2021**
	RM	**RM**
Thailand	1,126,237	3,221,477
China	-	1,491,544
United Kingdom	-	738,998
Hong Kong	2,254,696	561,307
Malaysia	140,254	355,018
United States	-	7,865
Cambodia	-	4,470
Others	-	171
	3,521,187	6,380,850

Major Customers

The following are major customers with gross revenue equal to or more than 10% of the Group's total gross revenue.

	The Group		Segment
	2022	**2021**	
	RM	**RM**	
Customer 1	1,265,945	2,636,945	Mobile Payment Solutions
Customer 2	743,464	1,567,162	Mobile Payment Solutions
Customer 3	-	1,469,925	Mobile Advertising Platform
Customer 4	1,191,415	-	Mobile Advertising Platform

37. Financial Instruments

(a) Classification of Financial Instruments

The table below provides an analysis of financial instruments of the Company as at end of financial year categorised as follows:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial assets				
Designated at fair value through other comprehensive income upon initial recognition				
Other investment	65,325	550,000	65,325	550,000
Amortised cost				
Contract assets	272,651	647,828	-	-
Trade receivables	1,398,989	1,945,325	-	-
Other receivables	158,980	252,802	9,000	27,340
Amount due from immediate holding company	-	15,334	-	-
Amount due from subsidiaries	-	-	-	119,000
Amount due from associate company	8,171	-	-	-
Fixed deposits with licensed banks	378,968	254,427	-	-
Cash and bank balances	134,768	283,226	1,038	12,473
	2,417,852	3,948,942	75,363	708,813
Financial liabilities				
Amortised cost				
Trade payables	1,606,535	3,014,993	-	-
Other payables and accruals	3,361,462	1,728,609	331,248	317,201
Amount owing to ultimate holding company	3,514	7,114	-	-
Amount owing to subsidiaries	-	-	20,600	165,600
Amount owing to a director	2,037,435	144,904	474,561	50,500
Bank borrowings	1,335,514	1,219,384	-	-
	8,344,460	6,115,004	826,409	533,301

37. **Financial Instruments (Cont'd)**

(b) **Gains or Losses Arising from Financial Instruments**

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Financial assets				
Equity instrument at fair value through other comprehensive income				
Fair value changes of other investments	(117,250)	350,000	(117,250)	350,000
Loss on disposal of other investments	(232,750)	-	(232,750)	-
	(350,000)	350,000	(350,000)	350,000
Amortised cost				
Net gain/(loss) recognised in profit or loss	940,647	(9,921,861)	(4,089,141)	(3,639,034)
Financial liability				
Amortised cost				
Net loss recognised in profit or loss	(116,303)	(28,282)	-	-

(c) **Financial Risk Management**

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policies are not to engage in speculative transactions.

37. **Financial Instruments (Cont'd)**

(c) **Financial Risk Management (Cont'd)**

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) **Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, other receivables, deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

(ii) **Liquidity risk**

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

37. **Financial Instruments (Cont'd)**

(c) **Financial Risk Management (Cont'd)**

(ii) **Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

The Group	**On demand or within 1 year RM**	**1 to 5 years RM**	**More than 5 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
2022					
Financial liabilities					
Trade payables	1,606,535	-	-	1,606,535	1,606,535
Other payables and accruals	3,361,462	-	-	3,361,462	3,361,462
Amount owing to ultimate holding company	3,514	-	-	3,514	3,514
Amount owing to a director	2,037,435	-	-	2,037,435	2,037,435
Bank overdraft	1,004,183	-	-	1,004,183	1,004,183
Credit card instalments	52,190	89,215	-	141,405	118,023
Term loan	56,676	226,704	5,758	289,138	213,308
	8,121,995	315,919	5,758	8,443,672	8,344,460
Other liability					
Lease liabilities	132,024	235,066	-	367,090	357,690
	8,254,019	550,985	5,758	8,810,762	8,702,150

37. **Financial Instruments (Cont'd)**

(c) **Financial Risk Management (Cont'd)**

(ii) **Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

The Group	**On demand or within 1 year RM**	**1 to 5 years RM**	**More than 5 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
2021					
Financial liabilities					
Trade payables	3,014,993	-	-	3,014,993	3,014,993
Other payables and accruals	1,728,609	-	-	1,728,609	1,728,609
Amount owing to ultimate holding company	7,114	-	-	7,114	7,114
Amount owing to a director	144,904	-	-	144,904	144,904
Bank overdraft	994,757	-	-	994,757	994,757
Term loan	50,173	218,938	21,309	290,420	224,627
	5,940,550	218,938	21,309	6,180,797	6,115,004
Other liability					
Lease liabilities	205,913	367,140	-	573,053	527,385
	6,146,463	586,078	21,309	6,753,850	6,642,389

37. **Financial Instruments (Cont'd)**

(c) **Financial Risk Management (Cont'd)**

(ii) **Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

The Company	**On demand or within 1 year RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
2022			
Financial liabilities			
Other payables and accruals	331,248	331,248	331,248
Amount owing to subsidiaries	20,600	20,600	20,600
Amount owing to a director	474,560	474,560	474,560
	826,408	826,408	826,408
2021			
Financial liabilities			
Other payables and accruals	317,201	317,201	317,201
Amount owing to subsidiaries	165,600	165,600	165,600
Amount owing to a director	50,500	50,500	50,500
	533,301	533,301	533,301
Other liability			
Lease liabilities	36,000	36,000	34,924
	569,301	569,301	568,225

37. **Financial Instruments (Cont'd)**

(c) **Financial Risk Management (Cont'd)**

(iii) **Market risk**

Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily United States Dollar ("US"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

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

Foreign Currency Exposure

The Group	**United States Dollar RM**	**Total RM**
2022		
Financial assets		
Cash and bank balances	3,814	3,814
2021		
Cash and bank balances	12,927	12,927

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and the Company's loss before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

Group	**Change in currency rate**	**2022 Effect on loss before taxation RM**	**2021 Effect on loss before taxation RM**
USD	Strengthened 10% (2021: 10%)	381	1,293
	Weakened 10% (2021: 10%)	(381)	(1,293)

37. **Financial Instruments (Cont'd)**

(c) **Financial Risk Management (Cont'd)**

(iii) **Market risk (Cont'd)**

Interest rate risk

The Group's and the Company's investments in fixed rate deposits with licensed banks is exposed to a risk of change in their fair value due to changes in interest rates. The Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year are as follows:

	2022 **RM**	**2021** **RM**
Floating rate instrument		
Financial liabilities		
Bank overdraft	1,004,183	994,757
Term loan	213,308	224,627
	1,217,491	1,219,384

Interest rate risk sensitivity analysis

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have (increased)/decreased to the Company's (loss)/profit before taxation by RM12,175 (2021: RM12,194), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

37. **Financial Instruments (Cont'd)**

(d) **Fair Value of Financial Instruments**

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term bank borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

The Group	**Fair value of financial instruments carried at fair value Level 1 RM**	**Fair value of financial instruments not carried at fair value Level 2 RM**	**Carrying amount RM**
2022			
Financial asset			
Other investment	65,325	-	65,325
Financial liability			
Term loan	-	213,308	181,376
2021			
Financial asset			
Other investment	550,000	-	550,000
Financial liability			
Term loan	-	224,627	194,759

37. **Financial Instruments (Cont'd)**

(d) **Fair Value of Financial Instruments (Cont'd)**

The Company	**Fair value of financial instruments carried at fair value Level 1 RM**	**Carrying amount RM**
2022		
Financial asset		
Other investment	65,325	65,325
2021		
Financial asset		
Other investment	550,000	550,000

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

38. **Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting year are as follows:

	2022 RM	**2021 RM**
Bank borrowings	1,335,514	1,219,384
Less: Fixed deposits with licensed banks	(378,968)	(254,427)
Less: Cash and cash equivalents	(134,768)	(283,226)
Total debt	821,778	681,731
Total equity	(4,987,861)	(1,464,387)
Gearing ratio	N/A	N/A

N/A – gearing ratio is not presented as the Company is in shareholders' deficit position.

There were no changes in the Group's approach to capital management during the current financial year.

39. **Subsequent Event**

On 15 March 2023, the number of issued and paid-up capital ordinary shares of the Company has been increased via issuance of 7,173,000 new ordinary shares at an issue price of RM0.28 each by way of settlement of RM2,008,440 of debt owing to the director of the Company.

40. **Date of Authorisation for Issue**

The financial statements of the Group for the financial year ended 31 December 2022 were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 April 2023.