MERCHANTRADE ASIA SDN. BHD.

199601038238 (410591-T)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2022

199601038238 (410591-T)

Merchantrade Asia Sdn. Bhd.
(Incorporated in Malaysia)

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Merchantrade Asia Sdn. Bhd.
(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 engaged in the money services business (remittance business and currency business) and payment business.

The information relating to subsidiaries of the Group and of the Company are disclosed in Note 14 respectively to the financial statements.

Results

	Group RM'000	Company RM'000
Net loss for the year	(18,435)	(18,992)
Attributable to:		
Equity holders of the parent	(17,556)	(18,992)
Non-controlling interests	(879)	-
	(18,435)	(18,992)

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of comprehensive income and the statements of changes in equity.

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

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend any dividend in respect of the current financial year.

Directors

The names of the directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Dato' Mohzani Bin Datuk Dr Abdul Wahab
Ramasamy a/l K. Veeran*
Ravindra a/l Vamathevan*
Dato' Abdul Aziz Bin Abu Bakar
Jeyabalan a/l S.K.Parasingam
Tomoyuki Shionoya
Clare Chin Kit Ching (Appointed on 17 January 2023)
Wong Chui Fen (Resigned on 17 January 2023)
*These directors are also directors of the Company's subsidiaries.

Director of the subsidiaries:

Tan Keng Siang

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by a director or the fixed salary of a full time employee of the Company as shown in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which any director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in Note 29 to the financial statements.

The Company maintained, on a group basis, a Directors' and Officers' Liability Insurance against any legal liability incurred by the Directors in the discharge of their duties while holding office for the Company or its subsidiaries. The Directors shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. The amount of insurance premium paid for the Directors and officers for the current financial year was RM19,000 (2021: RM17,000).

No payment has been made to indemnify the directors for the financial year ended 31 December 2022.

Directors' interests

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

	Number of ordinary shares			
Company	**Balance as at 01.01.2022**	**Bought**	**Sold**	**Balance as at 31.12.2022**
Direct interest				
Ramasamy a/l K. Veeran	2,106,318	-	-	2,106,318
Ravindra a/l Vamathevan	1,349,065	-	-	1,349,065

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Issue of shares

There were no issue of any new shares during the financial year.

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

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

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

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

(ii) render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

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

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

(i) any charge on the assets of the Group or of 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 or of the Company which has arisen since the end of the financial year.

Other statutory information (cont'd.)

(f) In the opinion of the directors:

(i) no contingent 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 or of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant event

Significant event during the financial year is disclosed in Note 36 to the financial statements.

Auditors and auditors' remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 6 to the financial statements.

To the extent permitted by law, the Company had agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during the financial year or since the financial year end.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2023.

Ramasamy a/l K. Veeran

Ravindra a/l Vamathevan

Petaling Jaya, Malaysia

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Merchantrade Asia Sdn. Bhd.
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 251(2) of the Companies Act, 2016

We, Ramasamy a/l K. Veeran and Ravindra a/l Vamathevan, being two of the directors of Merchantrade Asia Sdn. Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 11 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2023.

Ramasamy a/l K. Veeran

Ravindra a/l Vamathevan

Petaling Jaya, Malaysia

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

I, Ramasamy a/l K. Veeran, being the director primarily responsible for the financial management of Merchantrade Asia Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 110 are in my opinion 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 above named Ramasamy a/l K. Veeran at Petaling Jaya in Selangor Darul Ehsan on 27 March 2023.

Ramasamy a/l K. Veeran

Before me,

PESURUHJAYA SUMPAH
No. B 508
WONG CHOY YIN
1.1.2021 - 31.12.2023
MALAYSIA

3 Damansara Shopping Mall
3, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan

Building a better working world

Ernst & Young PLT
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Independent auditors' report to the members of Merchantrade Asia Sdn. Bhd.
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Report on the audit of the financial statements

Opinion

We have audited the financial statements of Merchantrade Asia Sdn. Bhd., which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 110.

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 year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

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**Independent auditors' report to the members of
Merchantrade Asia Sdn. Bhd. (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 other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the financial statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

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**Independent auditors' report to the members of
Merchantrade Asia Sdn. Bhd. (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 Group's and the Company's internal control.

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

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

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

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**Independent auditors' report to the members of
Merchantrade Asia Sdn. Bhd. (cont'd.)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- 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.

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 14 to the financial statements.

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yap Kah Foo
No. 03574/05/2023 J
Chartered Accountant

Kuala Lumpur, Malaysia
27 March 2023

Merchantrade Asia Sdn. Bhd.
(Incorporated in Malaysia)

Statements of comprehensive income
For the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	3	208,619	188,343	149,029	144,307
Cost of sales		(89,488)	(75,146)	(36,853)	(35,799)
Gross profit		119,131	113,197	112,176	108,508
Other income	4	2,905	1,572	2,760	1,551
Other expenses	5	(1,067)	(891)	(1,049)	(354)
Administrative expenses		(48,140)	(42,188)	(48,142)	(40,957)
Personnel expenses		(77,794)	(70,627)	(73,277)	(66,847)
Depreciation and amortisation		(10,843)	(11,097)	(10,818)	(10,737)
Selling and marketing expenses		(3,235)	(6,268)	(2,306)	(5,196)
Write-back of expected credit losses ("ECL")		458	423	458	571
Operating loss	6	(18,585)	(15,879)	(20,198)	(13,461)
Finance costs	7	(2,356)	(1,862)	(2,356)	(1,846)
Loss before taxation		(20,941)	(17,741)	(22,554)	(15,307)
Taxation	8	2,506	1,937	3,562	2,421
Net loss for the year		(18,435)	(15,804)	(18,992)	(12,886)
Other comprehensive income/(loss):					
Items that will not be reclassified to profit or loss:					
Foreign currency translation		598	137	-	-
Total comprehensive loss for the year, net of tax		(17,837)	(15,667)	(18,992)	(12,886)
Net loss for the year attributable to:					
Continuing operations		-	-	(17,540)	(8,312)
Discontinuing operations		-	-	(1,452)	(4,574)
	37	-	-	(18,992)	(12,886)

Statements of comprehensive income
For the financial year ended 31 December 2022 (cont'd.)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Loss attributable to:					
Equity holders of the parent		(17,556)	(14,513)	(18,992)	(12,886)
Non-controlling interests		(879)	(1,291)	-	-
		(18,435)	(15,804)	(18,992)	(12,886)
Other comprehensive income attributable to:					
Equity holders of the parent		566	108	-	-
Non-controlling interests		32	29	-	-
		598	137	-	-
Total comprehensive loss attributable to:					
Equity holders of the parent		(16,990)	(14,405)	(18,992)	(12,886)
Non-controlling interests		(847)	(1,262)	-	-
		(17,837)	(15,667)	(18,992)	(12,886)
Loss per share attributable to equity holders of the parent (RM per share)					
Basic and diluted	27	(1.92)	(1.59)		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Merchantrade Asia Sdn. Bhd.
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Statements of financial position
As at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Assets					
Non-current assets					
Property and equipment	9	15,492	15,179	15,011	15,023
Intangible assets	10	23,491	19,540	25,184	20,788
Right-of-use assets	11	3,408	3,905	3,408	3,905
Goodwill	12	21,890	21,890	9,898	9,898
Contract cost	13	5,450	6,362	5,450	6,362
Investments in subsidiaries	14	-	-	56,605	56,394
Deferred tax assets	18	5,306	1,714	5,276	1,714
Total non-current assets		75,037	68,590	120,832	114,084
Current assets					
Inventories	15	469	1,501	352	1,501
Trade receivables	16	5,644	2,596	7,050	4,279
Non-trade receivables, deposits and prepayments	17	15,209	14,781	15,416	14,786
Tax recoverable		5,393	5,557	5,641	5,477
Financial assets at fair value through profit or loss ("FVTPL")	19	28,261	12,270	28,261	12,270
Cash and short-term funds	20	281,577	228,494	271,549	220,881
Total current assets		336,553	265,199	328,269	259,194
Total assets		411,590	333,789	449,101	373,278
Equity					
Share capital	21	81,815	81,815	81,815	81,815
Foreign currency translation reserve		629	9	-	-
Revaluation reserve	22	1,437	1,437	1,437	1,437
Retained profits		17,101	34,657	23,924	42,916
Equity attributable to equity holders of the parent		100,982	117,918	107,176	126,168
Non-controlling interests		468	831	-	-
Total equity		101,450	118,749	107,176	126,168

Statements of financial position
As at 31 December 2022 (cont'd.)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current liabilities					
Borrowings	23	14,050	22,078	14,050	22,078
Lease liabilities	11	1,881	1,994	1,881	1,994
Deferred income	26	-	274	-	274
Deferred tax liabilities	18	12	-	-	-
Total non-current liabilities		15,943	24,346	15,931	24,346
Current liabilities					
Settlement obligations	24	181,078	144,120	182,195	144,081
Non-trade payables and accruals	25	27,973	23,009	59,254	55,307
Borrowings	23	81,860	19,387	81,370	19,387
Lease liabilities	11	1,820	2,263	1,820	2,263
Deferred income	26	1,466	1,915	1,355	1,726
Total current liabilities		294,197	190,694	325,994	222,764
Total liabilities		310,140	215,040	341,925	247,110
Total equity and liabilities		411,590	333,789	449,101	373,278

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Merchantrade Asia Sdn. Bhd.
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Statements of changes in equity
For the financial year ended 31 December 2022

Group	Share capital RM'000 (Note 21)	Revaluation reserve RM'000 (Note 22)	Foreign Currency Translation Reserve RM'000	Retained profits RM'000	Total shareholders' equity RM'000	Non-controlling interests RM'000	Total equity RM'000
	<--- Non-distributable --->			Distributable			
At 1 January 2022	81,815	1,437	9	34,657	117,918	831	118,749
Loss for the year	-	-	-	(17,556)	(17,556)	(879)	(18,435)
Other comprehensive income	-	-	566	-	566	32	598
Total comprehensive income/(loss) for the year	-	-	566	(17,556)	(16,990)	(847)	(17,837)
Acquisition of additional interest in a subsidiary (Note 28(a))	-	-	54	-	54	484	538
At 31 December 2022	81,815	1,437	629	17,101	100,982	468	101,450
At 1 January 2021	55,555	1,437	(123)	49,655	106,524	1,650	108,174
Issuance of new ordinary shares	26,260	-	-	-	26,260	-	26,260
Loss for the year	-	-	-	(14,513)	(14,513)	(1,291)	(15,804)
Other comprehensive income	-	-	108	-	108	29	137
Total comprehensive income/(loss) for the year	-	-	108	(14,513)	(14,405)	(1,262)	(15,667)
Transfer to foreign currency translation reserve	-	-	24	(5)	19	-	19
Acquisition of additional interest in a subsidiary (Note 28(a))	-	-	-	(480)	(480)	443	(37)
At 31 December 2021	81,815	1,437	9	34,657	117,918	831	118,749

Statements of changes in equity
For the financial year ended 31 December 2022 (cont'd.)

	Share capital RM'000 (Note 21)	Non-distributable Revaluation reserve RM'000 (Note 22)	Distributable Retained profits RM'000	Total equity RM'000
Company				
At 1 January 2022	81,815	1,437	42,916	126,168
Loss for the year	-	-	(18,992)	(18,992)
Total comprehensive loss for the year	-	-	(18,992)	(18,992)
At 31 December 2022	81,815	1,437	23,924	107,176
At 1 January 2021	55,555	1,437	55,802	112,794
Issuance of shares	26,260	-	-	26,260
Loss for the year	-	-	(12,886)	(12,886)
Total comprehensive loss for the year	-	-	(12,886)	(12,886)
At 31 December 2021	81,815	1,437	42,916	126,168

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of cash flows
For the financial year ended 31 December 2022

		Group		Company	
	Note	**2022**	**2021**	**2022**	**2021**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities					
Loss before taxation from continuing operations		(20,941)	(17,741)	(21,102)	(10,733)
Loss before taxation from discontinued operations		-	-	(1,452)	(4,574)
Loss before tax		(20,941)	(17,741)	(22,554)	(15,307)
Adjustments for:					
Depreciation of property and equipment	6,9	3,969	4,033	3,843	3,886
Depreciation of right-of-use assets	6,11	2,538	3,025	2,538	2,911
Amortisation of intangible assets	6,10	4,336	4,039	4,437	3,940
Amortisation of contract cost	13	912	912	912	912
Write-back of ECL, net	6	(458)	(423)	(458)	(571)
Recovery of ECL impaired	6	(175)	-	(175)	-
Property and equipment written off	6	477	461	472	354
Intangible assets written off	6	1,626	1	1,777	-
(Gain)/Loss on disposal of property and equipment	4,5	(115)	318	(115)	-
Interest income	4	(383)	(342)	(368)	(334)
Finance costs	7	2,356	1,862	2,356	1,846
Variable lease payment	11	(16)	(618)	(16)	(618)
Provision for Impairment	14	-	23	878	-
Unrealised foreign exchange gain	4	(1,906)	(157)	(1,920)	(157)
Operating loss before changes in working capital		(7,780)	(4,607)	(8,393)	(3,138)

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Statements of cash flows
For the financial year ended 31 December 2022 (cont'd.)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash flows from operating activities (cont'd.)					
Changes in working capital:					
Increase in inventories		1,032	(48)	1,149	(55)
(Increase)/Decrease in trade and non-trade receivables, deposits and prepayments		(2,458)	1,423	(957)	305
Decrease/(Increase) in settlement obligations, non-trade payables and accruals		42,188	(11,826)	41,853	(8,449)
Increase in monies held in trust	20	(36,639)	(29,005)	(36,639)	(29,005)
Fixed deposit with licenced bank	20	38	(67)	-	-
Decrease in deferred income	26	(723)	(754)	(645)	(703)
Cash used in operations		(4,342)	(44,884)	(3,632)	(41,045)
Interest paid on bank overdraft	7	(972)	(240)	(972)	(240)
Income taxes paid		(910)	(1,169)	(164)	(917)
Net cash used in operating activities		(6,224)	(46,293)	(4,768)	(42,202)
Cash flows from investing activities					
Proceeds from disposal of property and equipment		115	128	115	4
Purchase of property and equipment	9	(4,759)	(2,660)	(4,330)	(2,554)
Purchase of intangible assets	10	(9,870)	(8,802)	(10,884)	(9,252)
Acquisition of additional shares in a subsidiary	28	-	(500)	(1,089)	(1,565)
Subscription of Redeemable Convertible Loan in subsidiary	28(b)	-	-	(1,125)	-
Interest received		383	342	368	334
Net cash used in investing activities		(14,131)	(11,492)	(16,945)	(13,033)

Statements of cash flows
For the financial year ended 31 December 2022 (cont'd.)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash flows from financing activities					
Issuance of new shares	21	-	26,260	-	26,260
Proceeds from Redeemable Convertible Loan from non-controlling entity	14	974	463	-	-
Payment of principal portion of lease liabilities	11	(2,897)	(2,818)	(2,897)	(2,669)
Placement in Debt Service Reserve Account ("DSRA") with a licensed bank	20	-	(2,006)	-	(2,006)
Repayment of term loans	23	(8,028)	(2,007)	(8,028)	(2,007)
Finance costs paid		(1,073)	(1,118)	(1,073)	(1,118)
Net cash (used in)/generated from financing activities		(11,024)	18,774	(11,998)	18,460
Net (decrease)/increase in cash and cash equivalents		(31,379)	(39,011)	(33,711)	(36,775)
Effect of foreign exchange differences		1,768	329	1,647	205
Cash and cash equivalents at 1 January		125,820	164,502	118,315	154,885
Cash and cash equivalents at 31 December		96,209	125,820	86,251	118,315
Cash and cash equivalents comprise:					
Cash and bank balances	20	59,158	44,741	49,200	39,836
Short term money market deposit	20	-	2,600	-	-
Pre-funding to disbursement partners	20	82,132	77,568	82,132	77,568
Bank overdraft	23	(73,342)	(11,359)	(73,342)	(11,359)
Foreign currencies at FVTPL	19	28,261	12,270	28,261	12,270
		96,209	125,820	86,251	118,315

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to the financial statements
For the financial year ended 31 December 2022

1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The Company commenced business in February 2002.

The registered office of the Company is located at 12th floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business is located at Suite 513, 5th Floor, Lobby 4, Block A, Damansara Intan, No 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in the money services business (remittance business and currency business) and payment business.

The principal activities and other information of the subsidiaries are disclosed in Note 14.

The financial statements for the year ended 31 December 2022 were approved and authorised by the Board of Directors on 27 March 2023.

2. Significant accounting policies

2.1 Basis of preparation

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

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

2.2 Presentation of financial statements

The financial statements are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Company, and all values are rounded to the nearest thousand ("RM'000") except where otherwise indicated.

2. Significant accounting policies (cont'd.)

2.3 Changes in accounting policies

Adoption of amended MFRS issued

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except as follows:

The Group and the Company adopted the following amendments to MFRS which are applicable for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3 Reference to the Conceptual Framework
Amendments to MFRS 116 Plant, Property and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 9 Annual Improvements to MFRS Standard 2018 - 2020

The adoption of the above amendments to MFRS did not have any material impact on the financial statements of the Group and the Company in the current financial year.

2.4 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following MFRS and amendments to MFRS have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company.

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 101 Disclosure of Accounting Policies
Amendments to MFRS 108 Definition of Accounting Estimates
Amendments to MFRS 112 Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 101 Presentation of Financial Statements - Non-Current Liabilities with Covenants
Amendments to MFRS 16 Lease Liability in a Sales and Leaseback

2. Significant accounting policies (cont'd.)

2.4 Standards issued but not yet effective (cont'd.)

Effective date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application.

2.5 Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.

- No adjustments are made to reflect the fair values at the date of combination, or recognise any new assets or liabilities.

- No additional goodwill is recognised as a result of the combination.

- Any differences between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

MFRS 3 Business Combinations provides an option to apply a business combination prospectively from the date of combination or from a specific date prior to the date of combination. This provides relief from the full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of combination.

The Group has elected not to restate the financial information in the financial statements for the periods prior to the combination of businesses under common control.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(b) Investments in associates

Associates are entities over which the Group have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method. In the Company's separate financial statements, investments in associates are stated at cost less impairment loss. The policy for impairment losses is disclosed in Note 2.5(i).

Under the equity method, the investments in associates are initially recognised at cost. The carrying amount of investments are adjusted to recognise changes in the Group's share of net assets associate since the acquisition date.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as of the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(c) Income taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and the Company operates and generates taxable income.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(c) Income taxes (cont'd.)

(i) Current income tax (cont'd.)

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(c) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(d) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Group and the Company expect to be entitled when the performance obligation is satisfied.

(i) Income from remittance business

Revenue from contracts with customers on service charges and gain/loss on foreign exchange arising from remittance activities are recognised as remittance services are rendered.

(ii) Income from currency business

Revenue from contracts with customers on sale of foreign currencies are measured as the differences between the cost and selling price of the currency (foreign currency margin). The revenue is recognised when the performance obligation is satisfied at a point in time.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(d) Revenue (cont'd.)

(iii) Income from communication business

Activities relating to the Group's and the Company's Application Services Providers Licence comprise particular functions such as voice services, data services, content-based services and other transmission services. Application Services are essentially the functions or capabilities, which are delivered to end-users via the mobile network of a third-party telecommunications services provider.

Revenue from contracts with customers on sale of starter packs and recharge vouchers are recognised on a net basis when services are rendered. The Group and the Company are acting as an agent for a mobile telecommunications provider in arranging the sale of starter packs and recharge vouchers on their behalf and does not meet the definition of control under MFRS 15.

Revenue from contracts with customers on sale of international airtime transfer services ("IATS") are recognised when services are rendered. Revenue from services that have been sold to customers but where services have not been rendered at the reporting date is only recognised once the performance obligation has been fulfilled.

(iv) Income from technology solutions business

Revenue from contracts with customers on technology solutions are recognised when the performance obligation has been fulfilled over time.

(v) Income from payment business

Revenue from contracts with customers on payment services comprises service fees and transaction fees from the cards issuing and merchant acquisition business. Revenue is recognised when payment services are rendered.

(vi) Interest income from payment business

Revenue from interest income earned on invested funds of the payment business is recognised on a time proportioned basis that reflects the effective interest rates on the financial assets.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(e) Property and equipment

All items of property and equipment are initially recorded at cost. The cost of an item of property and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to initial recognition, equipments are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Commercial buildings and shop lots are stated at revalued amounts, which is the fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses. Fair value is determined from market-based evidence by appraisals that are undertaken by professionally qualified valuers. Revaluations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Any revaluation surplus is credited to other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal or retirement of an asset, any remaining revaluation reserve relating to the particular asset is transferred directly to retained profits.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(e) Property and equipment (cont'd.)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Commercial buildings	Over 50 years ^
Shop lots	Over 50 years ^
Renovations	10%
Computer and office equipment	20%
Furniture and fittings	10%
Motor vehicles	20%
Telecommunication equipment	20%

^ Subsequent to revaluation, the revalued amounts are depreciated over the remaining useful lives following the date of the latest valuation.

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amounts, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(f) Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Company as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(f) Leases (cont'd.)

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and estimates of costs to be incurred in dismantling and removing the underlying assets. Right-of-use assets are depreciated on a straight-line basis over the shorter or the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. The policy for impairment loss is disclosed in Note 2.5(i).

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonable certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(f) Leases (cont'd.)

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. They also apply the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense over the lease term.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value ("NRV"). Cost is determined on a first-in-first-out basis. Where net realisable value is lower than the cost of inventories, the difference is recognised as an expense in profit or loss.

NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(h) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency as described in Note 2.2.

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(h) Foreign currencies (cont'd.)

(i) Functional and presentation currency (cont'd.)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

The main foreign currencies at the functional currency spot rates of exchange at reporting date used are as follows:

	2022 RM	2021 RM
1 United States Dollar ("USD")	4.3900	4.1660
100 Bangladeshi Taka ("BDT")	0.0426	0.0486
100 Indian Rupee ("INR")	5.3051	5.6061
100 Indonesian Rupiah ("IDR")	0.0282	0.0292
1 Singapore Dollar ("SGD")	3.2736	3.0884

(i) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units ("CGU")).

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(i) Impairment of non-financial assets (cont'd.)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in profit or loss except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation surplus recognised.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(j) Employee benefits expense

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year 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 and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group's and the Company's contributions to defined contribution plans are charged to profit or loss in the period in which the related service is performed. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans. As required by law, the Group and the Company make such contributions to the Employees' Provident Fund.

(k) Financial instruments

(i) Initial recognition and classification

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial assets. All regular purchases and sales of financial assets that require delivery within the period generally established by regulation or market convention are recognised on the settlement date. The Group and the Company classify its financial assets under the following categories:

(a) Amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows which represent solely payments of principal and interest.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(k) Financial instruments (cont'd.)

(i) Initial recognition and classification (cont'd.)

(b) Financial instruments at FVTPL

Financial assets that do not qualify for either held at amortised cost or at fair value through other comprehensive income ("FVOCI") are measured at FVTPL.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

(a) Amortised cost

Non-derivative financial liabilities that are not held for active trading or designated as FVTPL are measured at amortised cost.

(ii) Measurement

Initial measurement

Financial instruments are initially recognised at their fair value plus transaction costs directly attributable to the acquisition or issuance of the instruments. For financial instruments classified at FVTPL, transaction costs are expensed off.

Subsequent measurement

(a) Amortised cost

Amortised cost financial instruments are measured at amortised cost using the effective interest rate method. Gains/losses are recognised in profit or loss through the amortisation process and when the financial instruments are impaired or derecognised. The policy for impairment of financial assets at amortised cost is described in Note 2.5(k)(iii).

(b) Financial instruments at FVTPL

All other financial instruments which are classified as at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(k) Financial instruments (cont'd.)

(iii) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

The Group and the Company recognise an allowance for ECL for all financial instruments measured at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. For the simplified approach, credit risk is not tracked and a loss allowance based on lifetime ECLs is provided at each reporting date.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

(iv) Derecognition

Financial asset

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(k) Financial instruments (cont'd.)

(iv) Derecognition (cont'd.)

Financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

(v) Write-off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(l) Fair value measurement

The Group and the Company measure non-financial assets such as properties and financial assets at FVTPL, at fair value at each reporting date. Fair value related disclosures for non-financial assets and financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Properties under revaluation model	Note 9
- Foreign currencies at FVTPL	Note 19

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(l) Fair value measurement (cont'd.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets at the close of business on the reporting date.

For foreign currencies at FVTPL, fair value is determined by reference to Reuters's closing middle rate.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(l) Fair value measurement (cont'd.)

External valuers are involved for valuation of the properties of the Group and of the Company. Involvement of external valuers is decided upon annually by management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. Revaluations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

At each reporting date, management analyses the movements in the values of properties which are required to be re-measured or re-assessed. Management and the Company's external valuers also compare the changes in the fair value of each property with relevant external sources to determine whether the change is reasonable. Changes in fair value of properties are tabled to the Board of Directors for approval.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, short-term money market deposits, pre-funding to disbursement partners and foreign currencies at FVTPL, which are subject to an insignificant risk of changes in value and which have original maturity periods of 3 months or less at acquisition.

Monies held in trust and fixed deposits placed with a financial institution are excluded from cash and cash equivalents as these are restricted cash which cannot be used for general purposes.

(n) Share capital

An equity instrument is any contract that evidences a residual interest in the asset of the Group and of the Company after deducting all of its liabilities. Ordinary shares are classified as equity. Dividend on ordinary shares is recognised in equity in the period in which they are declared.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(o) Intangible assets

The Group's and the Company's intangible assets consist of computer software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date. The Group and the Company do not have any indefinite useful life intangible assets as at the reporting date.

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over 5 years. Work-in-progress is not amortised until such time the asset is ready for its intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(p) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(p) Business combinations and goodwill (cont'd.)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensive income, as appropriate.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for impairment of non-financial assets is described in Note 2.5(i).

(q) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incur in connection with the borrowing of funds.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is a person or a group of people that is responsible to allocate resources and assess the performance of the operating segments of an entity. The Group has determined the Board of Directors as its chief operating decision-maker.

2. Significant accounting policies (cont'd.)

2.5 Summary of significant accounting policies (cont'd.)

(s) Contract balances

(i) Deferred income

Deferred income represents the Group's and the Company's obligations to transfer goods or services to its customers for which the Group and the Company have received consideration (or an amount of consideration is due) from its customers. If the Group and the Company receive consideration before the fulfilment of the performance obligation in the contract, deferred income is recognised when the payment is made or the payment is due (whichever is earlier). Deferred income is recognised in profit or loss when the Group and the Company perform under the contract.

(ii) Contract cost

Contract cost represents the incremental costs to the Group and the Company in obtaining a contract to secure revenue in relation to the remittance business. The contract cost is amortised on a systematic basis that is consistent with the transfer of the related services to the customer to which the asset relates.

The Group and the Company shall recognise an impairment loss in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Group and Company expect to receive in exchange for the goods or services to which the asset relates less the costs that relate directly to providing those services and that have not been recognised as expenses. The policy for impairment of non-financial assets are detailed in Note 2.5(i).

(t) Redeemable Convertible Loan

The Redeemable Convertible Loans are separated into liability and equity components based on the terms of the contract.

On the issuance of the convertible loans, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized costs (net of transaction costs) until it is extinguished on conversion of redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible loans, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2. Significant accounting policies (cont'd.)

2.6 Significant accounting estimates and judgments

The preparation of financial statements in accordance with MFRS and IFRS requires the use of certain accounting estimates and exercise of judgments. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. The most significant uses of judgments and estimates for the Group and the Company are as follows:

(a) Revaluation of commercial buildings and shop lots

The Group and the Company carry properties at revalued amounts. The measurement of fair value for commercial buildings and shop lots is arrived at by reference to market evidence of transaction prices for similar commercial buildings and shop lots and is performed by a firm of qualified professional independent property valuers. The valuation techniques and significant unobservable inputs used to assess fair value of such properties are described in Note 9 and Note 35.

(b) Amortisation of contract cost

The Group and the Company have applied judgment in evaluating the amortisation period of the contract cost based on the assessment that it is probable that future economic benefits associated with the item will flow to the Group and the Company. The details of the contract cost is detailed in Note 13.

(c) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budgets for the next five years including a terminal value, and do not include restructuring activities that the Group and the Company are not yet committed to or significant future investments that will enhance the performance of the assets of the Cash Generating Units ("CGU") being tested. The recoverable amounts are sensitive to the discount rate used for the DCF model, gross margins as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The carrying amount of goodwill of the Group and of the Company and key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 12.

The carrying amount of investments in subsidiaries of the Company and investments in associates of the Group and of the Company at the financial year end including other relevant financial information is disclosed in Note 14.

2. Significant accounting policies (cont'd.)

2.6 Significant accounting estimates and judgments (cont'd.)

(d) Allowance for ECL on financial assets

The measurement of allowance for ECL under MFRS 9 across categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining the allowance for ECL. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's and the Company's ECL calculations are based on underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include determination of associations between macroeconomic variables and, economic inputs and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

The amounts of allowances for ECL on trade receivables, non-trade receivables and deposits and cash and short-term funds recognised by the Group and the Company are as disclosed in Note 16, Note 17 and Note 20 respectively.

(e) Leases

The Group and Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group and the Company cannot readily determine the interest rate implicit in the leases, therefore, estimate using incremental borrowing rate ("IBR") to measure lease liabilities. The IBR was estimated based on the total of the Group's and the Company's credit risk spread and Malaysian Government Securities risk-free rate.

The carrying amount of leases of the Group and of the Company and other relevant information are disclosed in Note 11.

3. Revenue

(i) By type of revenue

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Remittance business	123,354	134,979	121,655	133,365
Currency business	14,712	3,297	14,712	3,297
Communication business	57,893	42,484	577	1,013
Payment business	10,476	6,501	10,476	6,501
Technology solutions business	575	951	-	-
Other businesses	1,609	131	1,609	131
	208,619	188,343	149,029	144,307

(ii) By geographical location

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Inside Malaysia	198,511	176,066	138,650	131,698
Outside Malaysia	10,108	12,277	10,379	12,609
	208,619	188,343	149,029	144,307

(iii) By basis of recognition

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Point in time	151,453	145,944	149,029	144,307
Over time	57,166	42,399	-	-
	208,619	188,343	149,029	144,307

4. Other income

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income	383	342	368	334
Fees from partners	349	736	349	736
Gain on disposal of property and equipment	38	-	38	-
Management fees from subsidiaries in Malaysia	-	-	-	285
Unrealised foreign exchange gain, net	1,906	157	1,920	157
Realised foreign exchange gain, net	-	54	7	39
Others	229	283	78	-
	2,905	1,572	2,760	1,551

5. Other expenses

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Realised foreign exchange loss, net	13	111	-	-
Property and equipment				
- loss on disposal	-	318	-	-
- written off	477	461	472	354
Intangible assets written off	577	1	577	-
	1,067	891	1,049	354

6. Operating loss

The following items have been charged/(credited), amongst others, in arriving at operating loss:

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Employee benefits expense:					
- Salaries, wages, allowances and overtime		60,297	56,434	56,590	53,391
- Contributions to defined contribution plan		7,356	6,516	6,899	6,149
- Social security contributions		704	642	688	635
- Other benefits		5,800	3,216	5,463	3,036
		74,157	66,808	69,640	63,211
Non-executive directors' fees	29(c)	420	420	420	420
Executive directors' remuneration (a)		3,207	3,396	3,207	3,205
Auditors' remuneration:					
Statutory auditors of the Group:					
- Audit services		442	438	391	382
- Other professional services		528	108	496	80
Other auditors		55	62	-	-
Depreciation of:					
- Property and equipment	9	3,969	4,033	3,843	3,886
- Right-of-use asset	11	2,538	3,025	2,538	2,911
Property and equipment written off	9	477	461	472	354
Impairment loss on subsidiary	12,14	-	23	878	-
Intangible assets written off	10	1,626	1	1,777	-
Amortisation of intangible assets	10	4,336	4,039	4,437	3,940
Amortisation of contract cost	13	912	912	912	912
Bad debt recovery	16	(175)	-	(175)	-
Write-back of ECL, net	16,17,20	(458)	(423)	(458)	(571)

6. Operating (loss)/profit (cont'd.)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Legal and other professional fees	3,867	1,838	4,525	2,322
Expenses relating to leases of:				
- Short-term leases	5,426	5,652	5,266	5,492
- Low-value assets	2,735	2,915	2,732	2,911

(a) Executive directors' remuneration

The details of remuneration receivable by directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Executive directors:				
Salaries and other emoluments	2,650	2,840	2,650	2,649
Contributions to defined contribution plan	557	556	557	556
Total executive directors' remuneration (excluding benefits-in-kind)	3,207	3,396	3,207	3,205
Estimated money value of benefits-in-kind	159	94	159	92
Total executive directors' remuneration (including benefits-in-kind)	3,366	3,490	3,366	3,297

6. Operating (loss)/profit (cont'd.)

(b) Executive directors' and non-executive directors' total remuneration band

The number of directors of the Group and of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors 2022	2021
Group		
Executive directors:		
RM1 - RM100,000	-	-
RM100,001 – RM200,000	-	1
RM300,001 – RM400,000	-	-
RM600,001 – RM 700,000	-	-
RM700,001 – RM800,000	1	1
RM2,100,001 – RM 2,400,000	-	-
RM2,400,001 – RM 2,700,000	1	1
Non-executive directors:		
RM100,001 – RM200,000	3	3
Company		
Executive directors:		
RM600,001 – RM 700,000	-	-
RM700,001 – RM800,000	1	1
RM2,100,001 – RM 2,400,000	-	-
RM2,400,001 – RM 2,700,000	1	1
Non-executive directors:		
RM100,001 – RM200,000	3	3

7. Finance costs

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Interest on:					
Bank overdrafts		972	240	972	240
Term loans		1,073	1,233	1,073	1,233
Lease liabilities	11	311	389	311	373
		2,356	1,862	2,356	1,846

8. Taxation

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tax expense for the year:				
- Malaysian income tax	1,044	430	-	-
- Under provision of income tax expense in prior years	11	29	-	43
- Witholding tax	19	-	-	-
	1,074	459	-	43
Deferred tax (Note 18):				
- Relating to origination and reversal of temporary differences	(3,502)	(2,551)	(3,547)	(2,617)
- (Over)/Under provision of deferred tax in prior years	(78)	155	(15)	153
	(3,580)	(2,396)	(3,562)	(2,464)
Income tax recoverable reported in profit or loss	(2,506)	(1,937)	(3,562)	(2,421)

8. Taxation (cont'd.)

Reconciliation of income tax expense/(recoverable) and the (loss)/profit before taxation multiplied by the statutory tax rate for the Group and Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss before taxation	(20,941)	(17,741)	(22,554)	(15,307)
Income tax at Malaysian statutory tax rate of 24% (2021: 24%)	(5,026)	(4,258)	(5,413)	(3,674)
Effect of different tax rates in other countries	206	240	-	-
Expenses not deductible for tax purposes	2,107	1,786	1,735	1,067
Income not subject to tax	(82)	(44)	(80)	(10)
Effect of deferred tax assets not recognised	840	619	211	-
Effect of share of net loss of associates	-	-	-	-
Utilisation of previously unrecognised tax losses	(490)	(5)	-	-
Utilisation of previously unrecognised unabsorbed capital allowances	-	(452)	-	-
Withholding tax expenses	19	(7)	-	-
Under provision of income tax expense in prior years	11	29	-	43
Section 132 tax relief	(13)	-	-	-
(Over)/Under provision of deferred tax in prior years	(78)	155	(15)	153
Income tax (recoverable)/ expense for the year	(2,506)	(1,937)	(3,562)	(2,421)

9. Property and equipment

Group	Commercial buildings RM'000	Shop lots RM'000	Renovations RM'000	Computer and office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Telecom-munication equipment RM'000	Total RM'000
	<--- At valuation	--->	<----------	----------	At cost	----------	---------->	
At 31 December 2022								
Cost/Valuation								
At beginning of the financial year	1,970	600	17,007	30,810	2,633	2,154	2,187	57,361
Additions	-	-	203	4,114	74	363	5	4,759
Disposal	-	-	-	(1)	-	(143)	-	(144)
Written off (Note 6)	-	-	(956)	(272)	(42)	-	-	(1,270)
Foreign currency translation	-	-	-	4	-	-	-	4
At end of the financial year	1,970	600	16,254	34,655	2,665	2,374	2,192	60,710
Accumulated depreciation								
At beginning of the financial year	126	40	11,715	24,668	1,467	1,979	2,187	42,182
Charge during the financial year	56	18	980	2,526	246	143	-	3,969
Disposal	-	-	-	(1)	-	(143)	-	(144)
Written off (Note 6)	-	-	(540)	(235)	(18)	-	-	(793)
Foreign currency translation	-	-	-	3	-	-	1	4
At end of the financial year	182	58	12,155	26,961	1,695	1,979	2,188	45,218
Net carrying amount								
At end of the financial year	1,788	542	4,099	7,694	970	395	4	15,492

9. Property and equipment (cont'd.)

Group	Commercial buildings RM'000	Shop lots RM'000	Renovations RM'000	Computer and office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Telecom-munication equipment RM'000	Total RM'000
	<--- At valuation--->		<--- At cost --->					
At 31 December 2021								
Cost/Valuation								
At beginning of the financial year	1,970	600	17,616	28,744	2,841	2,154	2,187	56,112
Additions	-	-	140	2,464	56	-	-	2,660
Reclassification to computer software (Note 10)	-	-	-	(21)	-	-	-	(21)
Disposal	-	-	(178)	(302)	(180)	-	-	(660)
Written off (Note 6)	-	-	(575)	(82)	(89)	-	-	(746)
Foreign currency translation	-	-	4	7	5	-	-	16
At end of the financial year	1,970	600	17,007	30,810	2,633	2,154	2,187	57,361
Accumulated depreciation								
At beginning of the financial year	70	22	10,827	22,348	1,284	1,873	2,187	38,611
Charge during the financial year	56	18	1,102	2,495	256	106	-	4,033
Disposal	-	-	(42)	(128)	(44)	-	-	(214)
Written off (Note 6)	-	-	(173)	(50)	(30)	-	-	(253)
Foreign currency translation	-	-	1	3	1	-	-	5
At end of the financial year	126	40	11,715	24,668	1,467	1,979	2,187	42,182
Net carrying amount								
At end of the financial year	1,844	560	5,292	6,142	1,166	175	-	15,179

9. Property and equipment (cont'd.)

Company	Commercial buildings RM'000	Shop lots RM'000	Renovations RM'000	Computer and office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Telecom-munication equipment RM'000	Total RM'000
	<--- At valuation --->		<---------- At cost				---------->	
At 31 December 2022								
Cost/Valuation								
At beginning of the financial year	1,970	600	16,907	30,341	2,635	2,154	2,186	56,793
Additions	-	-	203	4,053	74	-	-	4,330
Business transfer (Note 37)	-	-	-	(54)	-	-	-	(54)
Disposal	-	-	-	(1)	-	(143)	-	(144)
Written off (Note 6)	-	-	(950)	(272)	(42)	-	-	(1,264)
At end of the financial year	1,970	600	16,160	34,067	2,667	2,011	2,186	59,661
Accumulated depreciation								
At beginning of the financial year	126	40	11,682	24,301	1,456	1,979	2,186	41,770
Charge during the year	56	18	980	2,439	244	106	-	3,843
Business transfer (Note 37)	-	-	-	(27)	-	-	-	(27)
Disposal	-	-	-	(1)	-	(143)	-	(144)
Written off (Note 6)	-	-	(540)	(234)	(18)	-	-	(792)
At end of the financial year	182	58	12,122	26,478	1,682	1,942	2,186	44,650
Net carrying amount								
At end of the financial year	1,788	542	4,038	7,589	985	69	-	15,011

9. Property and equipment (cont'd.)

Company	Commercial buildings RM'000	Shop lots RM'000	Renovations RM'000	Computer and office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Telecom-munication equipment RM'000	Total RM'000
	<--- At valuation	--->	<------------------	------------ At cost	------------	------------	------------------>	
At 31 December 2021								
Cost/Valuation								
At beginning of the financial year	1,970	600	17,205	28,054	2,670	2,154	2,186	54,839
Reclassification to computer software (Note 10)	-	-	-	(21)	-	-	-	(21)
Additions	-	-	135	2,369	50	-	-	2,554
Disposal	-	-	-	(8)	(2)	-	-	(10)
Written off (Note 6)	-	-	(433)	(53)	(83)	-	-	(569)
At end of the financial year	1,970	600	16,907	30,341	2,635	2,154	2,186	56,793
Accumulated depreciation								
At beginning of the financial year	70	22	10,712	21,972	1,238	1,873	2,186	38,073
Charge during the year	56	18	1,091	2,370	245	106	-	3,886
Disposal	-	-	-	(6)	-	-	-	(6)
Written off (Note 6)	-	-	(121)	(35)	(27)	-	-	(183)
At end of the financial year	126	40	11,682	24,301	1,456	1,979	2,186	41,770
Net carrying amount								
At end of the financial year	1,844	560	5,225	6,040	1,179	175	-	15,023

9. Property and equipment (cont'd.)

(i) The strata titles of the commercial buildings have been issued by the relevant authorities in the name of the Company, except for one unit of commercial building at Damansara Intan.

(ii) The costs of fully depreciated property and equipment that are still in use are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Renovations	7,917	7,385	7,224	6,692
Computer and office equipment	22,003	20,330	20,292	18,679
Furniture and fittings	339	325	245	231
Motor vehicles	1,479	1,621	1,479	1,621
Telecommunication equipment	2,200	2,200	2,186	2,186
	33,938	31,861	31,426	29,409

(iii) The net book value of the revalued commercial buildings and shop lots had they been carried at cost less accumulated depreciation are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Commercial buildings	548	566	548	566
Shop lots	211	218	211	218
	759	784	759	784

(iv) The commercial buildings and shop lots were last revalued in December 2022 by Messrs. JB Jurunilai Bersekutu (Selangor) Sdn Bhd, a firm of qualified independent property valuers. The valuation method used was the comparison method and the key inputs included price per square foot of comparable properties.

Fair value measurement disclosures for the revalued commercial buildings and shop lots are as disclosed in Note 33.

10. Intangible assets

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>Computer software:</u>				
Cost				
At beginning of the financial year	28,467	22,433	28,480	22,413
Business transfer (Note 37)	-	-	(467)	-
Additions	594	2,622	11	2,709
Acquisition of subsidiaries (Note 28)	-	-	-	-
Reclassification from work-in-progress	3,704	3,372	5,419	3,337
Reclassification from computer equipment (Note 9)	-	21	-	21
Reclassification to expenses	(79)	-	(79)	-
Written off (Note 5)	(1,422)	(3)	(1,422)	-
Exchange difference	109	22	-	-
At end of the financial year	31,373	28,467	31,942	28,480
Accumulated amortisation				
At beginning of the financial year	16,116	12,069	15,906	11,966
Charge for the financial year (Note 6)	4,336	4,039	4,437	3,940
Business transfer (Note 37)	-	-	(344)	-
Written off (Note 5)	(845)	(2)	(845)	-
Exchange difference	66	10	-	-
At end of the financial year	19,673	16,116	19,154	15,906
Net carrying amount	11,700	12,351	12,788	12,574

10. Intangible assets (cont'd.)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
<u>Work-in-progress:</u>				
Cost/Net carrying amount				
At beginning of the financial year	7,189	4,381	8,214	5,008
Additions	9,276	6,180	10,873	6,543
Business transfer (Note 37)	-	-	(151)	-
Reclassification to expenses	(970)	-	(1,121)	-
Reclassification to computer software	(3,704)	(3,372)	(5,419)	(3,337)
At end of the financial year	11,791	7,189	12,396	8,214
Total intangible assets	23,491	19,540	25,184	20,788

11. Right-of-use assets and lease liabilities

Leases

The Group and the Company have lease contracts consisting of tenancy agreements for offices and branches. These leases generally have lease terms between 2 to 5 years. The leases include extension and variable lease payments consisting of incremental rates of lease, which are further discussed below.

Set out below are the carrying amounts recognised and the movements during the year:

	Group		Company	
	2022	**2021**	**2022**	**2021**
Right-of-use assets	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January	3,905	5,807	3,905	5,648
Re-measurement	2,041	1,120	2,041	1,168
Depreciation expense (Note 6)	(2,538)	(3,025)	(2,538)	(2,911)
Translation differences	-	3	-	-
As at 31 December	3,408	3,905	3,408	3,905

11. Right-of-use assets and lease liabilities (cont'd.)

	Group		Company	
	2022	**2021**	**2022**	**2021**
Lease liabilities	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January	4,257	6,190	4,257	6,003
Re-measurement	2,046	1,111	2,046	1,168
Accretion of interest (Note 7)	311	389	311	373
Lease payments	(2,897)	(2,818)	(2,897)	(2,669)
Variable lease payment	(16)	(618)	(16)	(618)
Translation differences	-	3	-	-
As at 31 December	3,701	4,257	3,701	4,257

The maturity of the lease liabilities are as follows:

Repayable within one year	1,820	2,263	1,820	2,263
Repayable within two to five years	1,881	1,994	1,881	1,994
As at 31 December	3,701	4,257	3,701	4,257

The future cash outflows relating to leases that have not yet commenced are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
31 December				
Future minimum rental payments:				
- Within one year	1,996	2,462	1,996	2,462
- After one year but not more than five years	2,002	2,144	2,002	2,144
	3,998	4,606	3,998	4,606

Expenses recognised in respect of short-term leases and leases of low value assets of the Group and of the Company are disclosed in Note 6.

12. Goodwill

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Group				
Balance at 1 January	21,890	21,913	9,898	9,898
Arising from acquisition of subsidiaries (Note 28(a),(b))	-	-	-	-
Impairment loss (Note 6)	-	(23)	-	-
Balance at 31 December	21,890	21,890	9,898	9,898

The impairment loss relates to the subsidiary in Nepal, Eightsquare Pvt. Ltd, which is in winding up, as disclosed in Note 14.

Goodwill is reviewed for impairment annually or when there are indications of impairment. Goodwill of the currency and technology solutions businesses are allocated to the Group's and Company's CGU for impairment testing purposes, identified according to business segments expected to benefit from the synergies as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Currency business CGU	9,898	9,898	9,898	9,898
Technology solutions business CGU	561	561	-	-
Remittance business CGU	11,431	11,431	-	-
	21,890	21,890	9,898	9,898

Goodwill arising from acquisition of subsidiaries had been recognised on a provisional basis at the end of previous financial year, in accordance with the requirements of *MFRS 3 Business Combinations.* This has been finalised at the end of the current financial year without any additional intangible assets being recognised.

12. Goodwill (cont'd.)

Currency business CGU

The goodwill of RM9,898,000 comprises the value of expected synergies arising from the integration of currency business operations and customers of Vital Rate Sdn. Bhd., which are not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

The recoverable amount of the currency business CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Board of Directors covering a one year period. It takes into account a projected annual growth rate of 27.7% (2021: 30.8%) per annum based on the CGU's average historical turnover growth rate. Estimated cash flows beyond the period covered by the financial budgets are extrapolated using a terminal growth rate of 1.0% (2021: 1.0%) per annum. The discount rates applied ranged from 13.0% to 14.5% (2021: 13.0% to 14.5%) per annum. As a result of the analysis, there was sufficient headroom when comparing the value in use versus the carrying value and hence management did not identify any indicators of impairment for this CGU.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the currency business is most sensitive to the following assumptions:

(i) Gross margins
(ii) Discount rates
(iii) Growth rates used to extrapolate cash flows beyond the forecast period

Key assumptions used in value in use calculations and sensitivity to changes in assumptions (cont'd.)

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the goodwill and intangible assets to exceed the recoverable amount of the CGU.

Technology solutions business CGU

The goodwill of RM584,000 arising from the acquisition of a subsidiary comprises the value of expected synergies arising from the integration of business operations and resources of Eightsquare Infotrans Sdn. Bhd. and its subsidiary, Eightsquare Pvt. Ltd, (collectively known as Eightsquare Group), which are not separately recognised.

12. Goodwill (cont'd.)

Technology solutions business CGU (cont'd.)

The recoverable amount of the technology solutions business CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Board of Directors covering a one year period. It takes into account a projected average growth rate of 1.4% (2021: 12.4%) per annum based on the entity's planned and committed projects. Estimated cash flows beyond the period covered by the financial budgets are extrapolated using a terminal growth rate of 1.0% (2021: 1.0%) per annum. The discount rates applied ranged from 13.0% to 14.5% (2021: 13.0% to 14.5%) per annum. As a result of the analysis, there was sufficient headroom when comparing the value in use versus the carrying value. As at year end, the Eightsquare Pvt Ltd subsidiary is being wound-up, and hence management has impaired the goodwill on the CGU of RM23,000.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the technology solutions business is most sensitive to the following assumptions:

(i) Gross margins
(ii) Discount rates
(iii) Growth rates used to extrapolate cash flows beyond the forecast period

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the goodwill and intangible assets to exceed the recoverable amount of the CGU.

Remittance business CGU

The goodwill of RM11,431,000 comprises the value of expected synergies arising from the acquisition of Valyou (RM9,688,000) and Kliq (RM1,743,000), respective integration of the remittance business operations of Valyou and Kliq and their customers, which are not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes.

The recoverable amount of the remittance business CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Board of Directors covering a one year period. It takes into account a projected annual growth rate of 11.1% (2021: 18.0%) per annum based on the CGU's average historical turnover growth rate. Estimated cash flows beyond the period covered by the financial budgets are extrapolated using a terminal growth rate of 1.0% (2021: 1.0%) per annum. The discount rates applied ranged from 9.0% to 14.5% (2021: 9.0% to 14.5%) per annum. As a result of the analysis, there was sufficient headroom when comparing the value in use versus carrying value and hence management did not identify any indicators of impairment for this CGU.

12. Goodwill (cont'd.)

Remittance business CGU (cont'd.)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the remittance business is most sensitive to the following assumptions:

(i) Gross margins
(ii) Discount rates
(iii) Growth rates used to extrapolate cash flows beyond the forecast period

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the goodwill and intangible assets to exceed the recoverable amount of the CGU.

13. Contract cost

	Group and Company	
	2022 RM'000	2021 RM'000
Contract cost	6,362	7,274
Amortisation in profit or loss	(912)	(912)
	5,450	6,362

The Group and the Company incurred cost of obtaining contract of RM8,183,000 during the financial year ended 31 Dec 2020. The cost will be amortised on a systematic basis over a period of 9 years.

14. Investments in subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost		
Balance at 1 January	56,394	54,829
Acquisition of remaining 25% interest in Eightsquare Infotrans Sdn Bhd on 8 July 2021 (Note 28 (a))	-	500
Conversion of Redeemable Convertible Loan to equity on 28 Jul 2022 & 10 Dec 2021 (Note 28 (a))	1,089	1,065
Provision for impairment	(878)	-
Balance at 31 December	56,605	56,394

14. Investments in subsidiaries (cont'd.)

Investment in Kliq Pte. Ltd.

The recoverable amount of the investment as at 31 December 2022 has been determined based on a value in use calculation using cash flow projections from the financial budget approved by senior management covering a 5-year period and extended a further 2 years for sensitivity analysis. The projected cash flows have been updated to reflect the actual outturn of the FY21 budgeted growth rate. The pre-tax discount rate applied to the cash flow projections of 12% (2021: 13%) and cash flows beyond the five-year period are extrapolated using a 1.48% (2021: 1.49%) growth rate based on the forecasted inflation rate of Singapore. Based on the analysis, management has recognised an impairment charge of RM878,000 in the current year against the investment as at 31 December 2022. The impairment charge is recorded within administrative expenses.

The details of the subsidiaries are as follows:

	Paid-up capital '000	Country of incorporation	Principal activities	Group's proportion of ownership 2022 %	2021 %
Held directly by the Company:					
Celcopon Sdn. Bhd. ("Celcopon") #	RM6,000	Malaysia	Provision of digital mobile coupons and International Airtime Transfer Services ("IATS")	100%	100%
Kliq Pte. Ltd. ("Kliq")^	SGD5,623	Singapore	Provision of remittance services	70%	70%
Valyou Sdn Bhd ("Valyou") #	RM59,100	Malaysia	Provision of Mobile Virtual Network Operator ("MVNO") services	100%	100%
Eightsquare Infotrans Sdn. Bhd. ("Eightsquare") #	RM1,500	Malaysia	Technology solutions	100%	100%

Audited by Ernst & Young PLT
^ Audited by a firm of accountants other than Ernst & Young PLT

14. Investments in subsidiaries (cont'd.)

The details of the subsidiaries are as follows: (cont'd.)

During the year, Kliq entered into a Redeemable Convertible Loan (RCL) agreement of SGD500,000 with its shareholders. The loan amount was pro-rated to the proportion of ownership of existing Kliq shareholders. On 28 July 2022, Kliq has issued 500,000 shares for the redemption of RCL to ordinary shares by the shareholders. The shareholding of the Company and the Group remain at 70% subsequent to the completion of the exercise.

15. Inventories

	Group		Company	
	2021	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At cost:				
Recharge vouchers	6	738	-	738
Miscellaneous cards	111	305	-	305
Prepaid cards	352	458	352	458
Total inventories at the lower of cost and net realisable value	469	1,501	352	1,501

During the financial year, the Group and the Company did not write-down any inventories (2021: NIL) in cost of sales. On 1 April 2022, the Company transferred its inventories to a subsidiary for the amount of RM56,580 (Note 37).

Under the terms of the agreement with the mobile telecommunication services provider, the Company has the right to return all of the inventories (excluding mobile coupons and prepaid cards) substantially at cost upon their expiry.

16. Trade receivables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Communication business receivables	668	755	-	755
Remittance business receivables	2,873	1,246	5,718	3,703
Currency business receivables	9,553	8,346	9,553	8,346
Payment services receivable	167	501	167	501
Prefund with telecommunication service providers	825	691	-	-
Technology solutions business receivables	90	216	-	-
Others	14	25	-	-
	14,190	11,780	15,438	13,305
Less: Allowance for ECL	(8,546)	(9,184)	(8,388)	(9,026)
	5,644	2,596	7,050	4,279

Movements in the allowances for ECL on trade receivables are as follows:

Group	**Lifetime ECL: non credit-impaired RM'000**	**Lifetime ECL: credit-impaired RM'000**	**Total ECL RM'000**
At 1 January 2021	223	9,010	9,233
Business transfer	(158)	(510)	(668)
Allowances made for the financial year (Note 6)	619	-	619
At 31 December 2021/1 January 2022	684	8,500	9,184
Written off during the financial year	(177)	-	(177)
Allowances written back for the financial year (Note 6)	(286)	(175)	(461)
At 31 December 2022	221	8,325	8,546

16. Trade receivables (cont'd.)

Movements in the allowances for ECL on trade receivables are as follows: (cont'd.)

Company	Lifetime ECL: non credit-impaired RM'000	Lifetime ECL: credit-impaired RM'000	Total ECL RM'000
At 1 January 2021	223	8,486	8,709
Business transfer	(158)	-	(158)
Allowances made for the financial year (Note 6)	475	-	- 475
At 31 December 2021/1 January 2022	540	8,486	9,026
Written off during the financial year	(177)	-	(177)
Allowances written back for the financial year (Note 6)	(286)	(175)	(461)
At 31 December 2022	77	8,311	8,388

Movements in gross carrying amount for trade receivables are as follows:

Group	Non credit-impaired RM'000	Credit-impaired RM'000	Total RM'000
At 1 January 2021	5,627	9,010	14,637
Net decrease during the financial year	(2,347)	(510)	(2,857)
At 31 December 2021/1 January 2022	3,280	8,500	11,780
Net increase/(decrease) during the financial year	2,585	(175)	2,410
At 31 December 2022	5,865	8,325	14,190
Company			
At 1 January 2021	6,734	8,486	15,220
Net decrease during the financial year	(1,915)	-	(1,915)
At 31 December 2021/1 January 2022	4,819	8,486	13,305
Net increase/(decrease) during the financial year	2,308	(175)	2,133
At 31 December 2022	7,127	8,311	15,438

Trade receivables are non-interest bearing and are generally given credit terms of 1 to 30 days (2021: 1 to 30 days).

17. Non-trade receivables, deposits and prepayments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets:				
Deposits with disbursement partners	3,673	4,092	3,673	4,092
Rental deposits	2,709	2,853	2,703	2,853
Utilities deposits	506	499	503	499
Amount due from subsidiaries	-	-	1,985	1,412
Other receivables	3,161	2,896	1,780	1,930
	10,049	10,340	10,644	10,786
Less: Allowance for ECL	(150)	(228)	(150)	(221)
	9,899	10,112	10,494	10,565
Non-financial asset:				
Prepayments	5,310	4,669	4,922	4,221
	15,209	14,781	15,416	14,786

All financial assets above of the Group and the Company are neither past due nor impaired at the financial year end.

During the financial year the Company has subscribed for RCL issued by KLIQ for an amount of SGD700,000 (RM2,214,905) on 20 January 2022 and 7 September 2022. On 28 July 2022 SGD350,000 has been converted.

Included in the other receivables is an amount of RM Nil (2021: RM32,000) arising from insurance claimable on property and equipment written off.

On 01 April 2022 the company has transferred prepayments to a subsidiary for the amount of RM10,052 (Note 37).

Movements in the allowances for ECL on non-trade receivables and deposits are as follows:

Group	Lifetime ECL: non credit-impaired RM'000	Lifetime ECL: credit-impaired RM'000	Total ECL RM'000
At 1 January 2021	270	-	270
Allowances written back for the financial year (Note 6)	(42)	-	(42)
At 31 December 2021/1 January 2022	228	-	228
Written off during the year	(7)	-	(7)
Allowances written back for the financial year (Note 6)	(71)	-	(71)
At 31 December 2022	150	-	150

17. Non-trade receivables, deposits and prepayments (cont'd.)

Movements in the allowances for ECL on non-trade receivables and deposits are as follows: (cont'd.)

Company	Lifetime ECL: non credit-impaired RM'000	Lifetime ECL: credit-impaired RM'000	Total ECL RM'000
At 1 January 2021	267	-	267
Allowances written back for the financial year (Note 6)	(46)	-	(46)
At 31 December 2021/1 January 2022	221	-	221
Allowances written back for the financial year (Note 6)	(71)	-	(71)
At 31 December 2022	150	-	150

Movements in gross carrying amount for non-trade receivables and deposits are as follows:

	Group		
	Non credit-impaired RM'000	Credit-impaired RM'000	Total RM'000
At 1 January 2021	11,095	-	11,095
Net decrease during the financial year	(755)	-	(755)
At 31 December 2021/1 January 2022	10,340	-	10,340
Net decrease during the financial year	(291)	-	(291)
At 31 December 2022	10,049	-	10,049

	Company		
	Non credit-impaired RM'000	Credit-impaired RM'000	Total RM'000
At 1 January 2021	10,936	-	10,936
Net decrease during the financial year	(150)	-	(150)
At 31 December 2021/1 January 2022	10,786	-	10,786
Net decrease during the financial year	(142)	-	(142)
At 31 December 2022	10,644	-	10,644

18. Deferred tax (assets)/liabilities

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of the financial year	(1,714)	682	(1,714)	750
Recognised in profit or loss (Note 8)	(3,580)	(2,396)	(3,562)	(2,464)
At end of the financial year	(5,294)	(1,714)	(5,276)	(1,714)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities in respect of each entity within the Group and when the deferred income taxes relate to the same tax authority. The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets, net	(5,306)	(1,714)	(5,276)	(1,714)
Deferred tax liabilities, net	12	-	-	-
	(5,294)	(1,714)	(5,276)	(1,714)

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets	(9,935)	(5,709)	(9,862)	(5,696)
Deferred tax liabilities	4,641	3,995	4,586	3,982
	(5,294)	(1,714)	(5,276)	(1,714)

18. Deferred tax (assets)/liabilities (cont'd.)

Deferred tax assets:

	Allowances for ECL RM'000	Provisions RM'000	Lease liabilities RM'000	Unabsorbed capital allowances RM'000	Unutilised business losses RM'000	Total RM'000
Group						
At 1 January 2021	(429)	(890)	(1,441)	(379)	(61)	(3,200)
Recognised in profit or loss	175	155	419	(2,017)	(1,241)	(2,509)
At 31 December 2021	(254)	(735)	(1,022)	(2,396)	(1,302)	(5,709)
At 1 January 2022	(254)	(735)	(1,022)	(2,396)	(1,302)	(5,709)
Recognised in profit or loss	81	18	133	(2,307)	(2,151)	(4,226)
At 31 December 2022	(173)	(717)	(889)	(4,703)	(3,453)	(9,935)
Company						
At 1 January 2021	(429)	(856)	(1,441)	(379)	-	(3,105)
Recognised in profit or loss	175	134	419	(2,017)	(1,302)	(2,591)
At 31 December 2021	(254)	(722)	(1,022)	(2,396)	(1,302)	(5,696)
At 1 January 2022	(254)	(722)	(1,022)	(2,396)	(1,302)	(5,696)
Recognised in profit or loss	117	42	133	(2,307)	(2,151)	(4,166)
At 31 December 2022	(137)	(680)	(889)	(4,703)	(3,453)	(9,862)

18. Deferred tax (assets)/liabilities (cont'd.)

Deferred tax liabilities:

	Property and equipment RM'000	Property revaluation surplus RM'000	Right-of-use assets RM'000	Total RM'000
Group				
At 1 January 2021	2,073	453	1,356	3,882
Recognised in profit or loss	531	-	(418)	113
At 31 December 2021	2,604	453	938	3,995
At 1 January 2022	2,604	453	938	3,995
Recognised in profit or loss	765	-	(119)	646
At 31 December 2022	3,369	453	819	4,641
Company				
At 1 January 2021	2,046	453	1,356	3,855
Recognised in profit or loss	545	-	(418)	127
At 31 December 2021	2,591	453	938	3,982
At 1 January 2022	2,591	453	938	3,982
Recognised in profit or loss	723	-	(119)	604
At 31 December 2022	3,314	453	819	4,586

18. Deferred tax (assets)/liabilities (cont'd.)

Deferred tax assets have not been recognised in the financial statements in respect of the following items due to uncertainty of its realisation:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Unutilised business losses	36,727	36,336
Unabsorbed capital allowances	-	29
Other deductible temporary differences	14	217
	36,741	36,582

The unutilised business losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group. The unutilised business losses will be available for offsetting only for another 10 consecutive years effective from Year of Assessment 2019, after which it will expire. As at 31 December 2022, 7 years remain. The unabsorbed capital allowances of the Company are not subject to the 10 year limitation period and is available indefinitely for offsetting against future taxable profits of the Company.

Utilisation of these carried forward tax losses and unabsorbed capital allowances are also subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Foreign currencies at FVTPL	28,261	12,270	28,261	12,270

Foreign currencies at FVTPL relate to foreign currency denominated notes held on hand, which are carried at the foreign exchange rates ruling as at the reporting date.

20. Cash and short-term funds

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	59,158	44,741	49,200	39,836
Short term money market deposit	-	2,600	-	-
Trust account	138,092	101,453	138,092	101,453
Pre-funding to disbursement partners	82,132	77,568	82,132	77,568
Fixed deposit placed in financial institutions	70	108	-	-
DSRA with a licensed bank	2,319	2,319	2,319	2,319
	281,771	228,789	271,743	221,176
Less: Allowance for ECL	(194)	(295)	(194)	(295)
	281,577	228,494	271,549	220,881

Movements in the allowances for ECL on cash and short-term funds are as follows:

	Group and Company		
	Lifetime ECL: non credit-impaired RM'000	**Lifetime ECL: credit-impaired RM'000**	**Total ECL RM'000**
At 1 January 2021	1,295	-	1,295
Allowances written back for the financial year (Note 6)	(1,000)	-	(1,000)
At 31 December 2021/1 January 2022	295	-	295
Allowances written back for the financial year (Note 6)	(101)	-	(101)
At 31 December 2022	194	-	194

Movements in gross carrying amount for cash and short-term funds are as follows:

	Group		
	Non credit-impaired RM'000	**Credit-impaired RM'000**	**Total RM'000**
At 1 January 2021	267,080	-	267,080
Net decrease during the financial year	(38,291)		(38,291)
At 31 December 2021/1 January 2022	228,789	-	228,789
Net increase during the financial year	52,982	-	52,982
At 31 December 2022	281,771	-	281,771

20. Cash and short-term funds (cont'd.)

Movements in gross carrying amount for cash and short-term funds are as follows: (cont'd.)

	Company		
	Non credit-impaired RM'000	**Credit-impaired RM'000**	**Total RM'000**
At 1 January 2021	257,422	-	257,422
Net decrease during the financial year	(36,246)		(36,246)
At 31 December 2021/1 January 2022	221,176	-	221,176
Net increase during the financial year	50,567	-	50,567
At 31 December 2022	271,743	-	271,743

Pre-funding to disbursement partners relate to monies placed in the bank accounts with remittance partners of the Group and the Company, and are maintained for the purpose of remittance services. The pre-funding to disbursement partners are non-interest bearing.

DSRA with a licensed bank is maintained in accordance with the terms and conditions stipulated in the term loans as disclosed in Note 23(b).

Trust account are monies held in trust on behalf of payment services customers, that have yet to be utilised at the reporting date (Note 24(c)). Included in the trust account is short-term money market deposits of RM121,500,000 (2021: RM97,500,000) and monies placed in a designated bank account. Short-term money market deposits are placed with licensed banks, which bear effective interest rates of between 2.90% to 4.20% (2021: 2.07% to 2.45%) per annum and which have a maturity of 21 to 362 days (2021: 6 to 356 days) as at the reporting date. Monies placed in the designated bank account bear an effective interest rate of 2.63% (2021: 1.95%) per annum.

The Company is a large e-money scheme issuer under the regulations of Bank Negara Malaysia. The Group and the Company are required to operate trust accounts for monies received on behalf of customers. The funds in the trust accounts can only be utilised for refunds to customers, making payments to their respective merchants and must be invested in high quality liquid assets. Accordingly, the Group and the Company have opted to not recognise monies held in trust as cash and cash equivalents. Interest income from investment in liquid assets are recognised in profit or loss in accordance with the policy as disclosed in Note 2.5(d)(vi) to the financial statements.

Short-term money market deposits are placed with licensed banks, which bear effective interest rates of nil (2021: 0.25% to 0.35%) per annum and which have a maturity of 3 to 4 days as at the reporting date.

Fixed deposit placed in financial institutions are amounts pledged for banking facilities with licensed banks.

20. Cash and short-term funds (cont'd.)

During the financial year, a financial institution has issued a Standby Letter of Credit in favour of the Company on behalf of a financial services company amounting to USD4,600,000 (2021: USD3,194,000).

21. Share capital

	Group and Company			
	2022		2021	
	Number of ordinary shares '000	Amount RM'000	Number of ordinary shares '000	Amount RM'000
Issued and fully paid:				
Ordinary shares				
At 1 January	9,136	81,815	8,680	55,555
Issued during the year	-	-	456	26,260
At 31 December	9,136	81,815	9,136	81,815

On 22 November 2021, the Company issued 455,864 new ordinary shares at an issue price of RM57.6057 per Ordinary share to a third-party investor, resulting in an increase in share capital by RM26,260,365 to RM81,815,365.

The new Ordinary shares issued on 22 November 2021 ranked pari passu with the existing ordinary shares at the date of issuance

22. Revaluation reserve

The revaluation reserve relates to the increase in the fair value of the Group's and Company's commercial buildings and shop lots, net of deferred taxation. Any decrease in fair value to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income, is then recognised in other comprehensive income.

23. Borrowings

		Group		Company	
		2022	**2021**	**2022**	**2021**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Bank overdraft	(a)	73,342	11,359	73,342	11,359
Term loan	(b)	22,078	30,106	22,078	30,106
Redeemable convertible loan	(c)	490	-	-	-
		95,910	41,465	95,420	41,465

The maturity structure of the borrowings can be analysed as follows:

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On demand		73,342	11,359	73,342	11,359
Repayable within one year		8,518	8,028	8,028	8,028
		81,860	19,387	81,370	19,387
Repayable between					
one to two years		8,028	8,028	8,028	8,028
two to five years		6,022	14,050	6,022	14,050
		14,050	22,078	14,050	22,078
		95,910	41,465	95,420	41,465
Short-term borrowings					
Bank overdraft	(a)	73,342	11,359	73,342	11,359
5-year term loan	(b)	8,028	8,028	8,028	8,028
5-year redeemable convertible loan	(c)	490	-	-	-
		81,860	19,387	81,370	19,387
Long-term borrowings					
5-year term loan	(b)	14,050	22,078	14,050	22,078

The bank overdraft and term loans of the Group and of the Company are denominated in RM, and redeemable convertible loan is denominated in SGD.

23. Borrowings (cont'd.)

(a) Bank overdraft

Repayable on demand and bearing floating interest rate with an effective interest rate of 4.45% to 4.60% (2021: 3.45% to 3.6%) per annum.

(b) Term loan

A term loan of RM32,113,000 which is repayable in five years from the date of first drawdown with the first year on interest instalments and from the second year onwards by 48 equal monthly principal and interest instalments. The term loan is secured by way of DSRA, a personal guarantee by the Company's executive director, and a legal charge on 100% of the unquoted shares of Valyou Sdn. Bhd. The Company is required to maintain a gearing ratio of not more than one (1) time during the tenor of the facility.

The weighted average effective interest rates of term loans is 4.91% (2021: 3.86%) per annum.

(c) Redeemable convertible loan

On 12 September 2022, the subsidiary of the Company, Kliq has issued SGD500,000 of 5-Years Redeemable Convertible Loan ("RCL") to its shareholders. The loan amount was pro-rated to the proportion of KLIQ existing shareholders ownership. SGD150,000 was subscribed by its minority shareholder. As at the date of the report, the RCL is not redeemed by its shareholders.

24. Settlement obligations

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Remittance partners and agents prefund	(a)	22,021	27,555	22,021	27,555
Unpaid remittances	(b)	16,373	13,832	16,373	13,832
Payment services payables	(c)	141,913	101,823	143,231	102,190
Others		771	910	570	504
		181,078	144,120	182,195	144,081

(a) Remittance partners and agent prefunds represent post funding amounts from partners and agents that have yet to be settled at the reportig date.

24. Settlement obligations (cont'd.)

(b) Unpaid remittances represent the amounts that have yet to be collected by payees at the reporting date.

(c) Payment services payables represent the amounts deposited by customers in a trust account with a licenced bank that have yet to be utilised at the reporting date (Note 20). It includes amount payable to merchants.

These amounts are unsecured, non-interest bearing and are repayable in the short-term.

25. Non-trade payables and accruals

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial liabilities:				
Accrued operating expenses	8,166	5,260	8,175	5,160
Other payables	19,545	17,568	21,197	17,791
Amount due to a subsidiary	-	-	29,882	32,352
	27,711	22,828	59,254	55,303
Non-financial liabilities:				
Net indirect taxes payables	262	181	-	4
	27,973	23,009	59,254	55,307

The financial liabilities are unsecured, non-interest bearing and are repayable on demand.

26. Deferred income

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deferred income	1,466	2,189	1,355	2,000

The maturity of the deferred income are as follows:

Within one year	1,466	1,915	1,355	1,726
One to five years	-	274	-	274
	1,466	2,189	1,355	2,000

26. Deferred income (cont'd.)

	Group		Company	
	Group	-	Company	-
	RM'000	RM'000	RM'000	RM'000
Short-term deferred income				
Incentive received from financial services companies	1,248	1,601	1,248	1,601
Others	218	314	107	125
	1,466	1,915	1,355	1,726
Long-term deferred income				
Incentive received from financial services companies	-	274	-	274
	1,466	2,189	1,355	2,000

Movements in deferred income are as follows:

	Group	Company
	RM'000	RM'000
At 1 January 2021	2,943	2,703
Increase during the financial year	2,597	1,337
Recognised in profit or loss during the financial year	(3,351)	(2,040)
At 31 December 2021/1 January 2022	2,189	2,000
Increase during the financial year	1,036	429
Recognised in profit or loss during the financial year	(1,759)	(1,074)
At 31 December 2022	1,466	1,355

27. Loss per share - basic and diluted

Basic loss per share ("LPS") is calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted LPS is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

27. Loss per share - basic and diluted (cont'd.)

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Loss attributable to ordinary equity holders of the parent	(17,556)	(14,513)	(18,992)	(12,886)
Number of ordinary shares of the parent in issue during the year	9,136	9,136	9,136	9,136
Basic and diluted loss per share	(1.92)	(1.59)		

There were no dilutive potential ordinary shares as at the end of the relevant reporting dates. There have been no other transactions involving ordinary shares between the reporting date and the date of these financial statements.

28. Business combinations

(a) Conversion of Redeemable Convertible Loan

On 20 January 2022, the Company has subscribed to RM1,089,375 (equivalent to SGD350,000) Redeemable Convertible Loan ("RCL") issued by its subsidiary, Kliq Pte. Ltd. On 28 July 2022, the RCL was converted to 350,000 new issued shares capital by Kliq. Subsequent to the conversion, the Company's shareholding equity interest remains at 70%.

On 29 January 2021, the Company has subcribed to RM1,065,000 (equivalent to SGD350,000) RCL issued by its subsidiary, Kliq and converted to 350,000 new issued shares capital by Kliq on 10 December 2021. Subsequent to the conversion, the Company's shareholding equity interest remains at 70%.

(b) On 12 September 2022, the Company had provided RCL for RM1,125,530 (equivalent to SGD350,000) to Kliq Pte. Ltd. The RCL was subscribed pro-rated by each of its existing shareholders in accordance with the equity proportion.

29. Related party disclosures

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(a) Related party transactions				
(Expenses)/income				
With subsidiaries:				
Eightsquare				
- Consultancy charges	-	-	(1,938)	(1,815)
- System development and maintenance fees	-	-	(9,341)	(5,283)
- Management fees income	-	-	-	285
Celcopon				
- Purchase of mobile coupons	-	-	-	-
- Purchase of IATS	-	-	(13)	(57)
- Sales of recharge vouchers	-	-	98	377
With subsidiaries:				
Kliq				
- Remittance transactions	-	-	284	325
With related parties:				
Celcom Mobile Sdn. Bhd.**				
- Rebates of starter packs and recharge vouchers	876	1,125	190	1,125
With key management personnel:				
Rental of premises	(199)	(201)	(199)	(201)

** Subsidiary of a corporate shareholder

29. Related party disclosures (cont'd.)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(b) Related party balances				
Assets/(liabilities)				
With subsidiaries:				
Celcopon				
- Non-trade receivables	-	-	18	36
- Settlement obligation	-	-	(1,308)	(384)
- Non-trade payables	-	-	-	(5)
Eightsquare				
- Non-trade receivables	-	-	70	1,080
- Non-trade payables	-	-	(1,936)	(641)
Kliq				
- Trade receivables	-	-	2,845	2,456
- Non-trade receivables	-	-	1,126	-
Valyou				
- Trade receivables	-	-	-	-
- Non-trade receivables	-	-	771	298
- Trade payables	-	-	(177)	32
- Non-trade payables	-	-	(29,766)	(32,368)
Assets/(liabilities)(cont'd.)				
With related parties:				
Celcom Mobile Sdn. Bhd.**				
- Trade receivables	-	546	-	546

** Subsidiary of a corporate shareholder

The directors of the Group and of the Company are of the view that the above transactions have been entered into in the normal course of business and at terms agreed between the parties during the year. The balances with related parties are unsecured, interest-free and repayable in the short-term.

29. Related party disclosures (cont'd.)

(c) Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Key management personnel:				
Short-term employee benefits	7,369	8,440	6,947	8,257
Post-employment benefits	1,165	1,123	1,082	1,123
	8,534	9,563	8,029	9,380
Non-executive directors' fees (Note 6)	420	420	420	420
Executive directors' remuneration (Note 6(a))	3,366	3,490	3,366	3,297
	3,786	3,910	3,786	3,717

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company. The key management personnel of the Group and of the Company include directors and senior management.

30. Commitments and contingencies

The capital commitments and contingent liability of the Group and of the Company as at the financial year end are as follows:

(a) Capital expenditure

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Approved but not contracted for:				
Property and equipment	305	708	305	708
Intangible assets	3,570	4,454	3,570	4,454
	3,875	5,162	3,875	5,162

31. Financial instruments by category

The carrying amounts of the financial assets and liabilities in the statements of financial position by the class of financial instruments are as disclosed below:

		Group		Company	
		2022	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000
Financial assets - FVTPL					
Financial assets at fair value through profit or loss	19	28,261	12,270	28,261	12,270
		28,261	12,270	28,261	12,270
Financial assets - Amortised cost					
Trade receivables	16	5,644	2,596	7,050	4,279
Non-trade receivables and deposits	17	9,899	10,112	10,494	10,565
Cash and short-term funds	20	281,577	228,494	271,549	220,881
		297,120	241,202	289,093	235,725
Financial liabilities - amortised cost					
Settlement obligations	24	181,078	144,120	182,195	144,081
Non-trade payables and accruals	25	27,711	22,828	59,254	55,303
Lease liabilities	11	3,701	4,257	3,701	4,257
Borrowings	23	95,910	41,465	95,420	41,465
		308,400	212,670	340,570	245,106

32. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, cash flow risk, interest rate risk and foreign currency risk.

It is, and has been throughout the current and previous financial years, the Group's and the Company's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting. The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

32. Financial risk management objectives and policies (cont'd.)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Group's and the Company's credit risk arises primarily from its trade and non-trade receivables. For other financial assets such as cash and short-term funds and deposits and placements with a licensed bank, the Group and the Company minimise credit risk by dealing with reputable financial institutions with sound credit ratings and no history of default.

(a) Maximum exposure to credit risk

The maximum amount of exposure to credit risk arising from the Group's and the Company's trade receivables, non-trade receivables and deposits and cash and short-term funds equal to the carrying amount of these financial assets on the statement of financial position.

(b) Expected credit loss measurement

(i) Definition of default

The Group and the Company classify a financial asset as credit-impaired when there is objective evidence that the financial asset is credit-impaired.

The details of the default definition is as disclosed in Note 2.5(k)(iii).

(ii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Group and the Company apply a simplified approach in calculating ECL for trade receivables, non-trade receivables and deposits and cash and short-term funds. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECL at each reporting date.

For cash and short-term funds, ECL is computed based on the multiplication of Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”). PD is derived based on default rates from an external rating agency for each counterparty after considerations of probability weighted outcomes and forward-looking information. EAD represents the source exposure of the Group and of the Company as at reporting date and LGD represents the expectation of the extent of loss on a default exposure.

32. Financial risk management objectives and policies (cont'd.)

Credit risk (cont'd.)

(b) Expected credit loss measurement (cont'd.)

(ii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (cont'd.)

Information incorporated in the ECL models

The calculation of ECL incorporates forward-looking information. The Group and the Company use external and internal information to generate a "base case" and "downturn" scenario which considers forecast economic variables, based on assigned probability-weights determined by the Group and the Company. The Group and the Company identified the key economic variables impacting credit risk which is Gross Domestic Product ("GDP").

The macroeconomic variables value data is obtained from an independent international financial institution. The probability-weighted forecasted GDP for the respective countries considered are as follows:

At 31 December 2022

Country	Probability-weighted forecasted GDP	Country	Probability-weighted forecasted GDP
Bangladesh	6.00%	Philippines	5.00%
China	4.40%	Pakistan	3.50%
United Kingdom	0.30%	Singapore	2.30%
Hong Kong	3.90%	Thailand	3.70%
Indonesia	5.00%	Vietnam	6.20%
India	6.10%	Japan	1.60%
Sri Lanka	-3.00%		
Myanmar	3.30%		
Nepal	5.00%		

At 31 December 2021

Country	Probability-weighted forecasted GDP	Country	Probability-weighted forecasted GDP
Bangladesh	6.50%	Philippines	6.30%
China	5.60%	Pakistan	4.00%
United Kingdom	5.00%	Singapore	3.20%
Hong Kong	3.50%	Thailand	4.50%
Indonesia	5.90%	Vietnam	6.60%
India	8.50%	Japan	3.20%
Sri Lanka	3.30%		
Myanmar	-0.10%		
Nepal	4.40%		

32. Financial risk management objectives and policies (cont'd.)

Credit risk (cont'd.)

(b) Expected credit loss measurement (cont'd.)

(ii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (cont'd.)

These economic variables and their associated impacts on the PD, EAD and LGD vary by financial instruments. Expert judgment has also been applied in this process. The Group and the Company regularly monitors the macroeconomic factors and their impacts in measuring ECL.

There have been no significant changes in the estimation techniques or significant assumptions made during the reporting period.

(iii) Credit quality of financial assets

The table below shows the credit quality of the Group's and the Company's financial assets (gross of ECL), based on the following risk grades:

Risk ratings	Definitions
Low risk (A-1 to A-3)	Indicates that strong to adequate capacity to meet its financial commitments.
Fair risk (B)	Vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties that could lead to the obligor's inadequate capacity to meet its financial commitments.
Substandard (C)	Currently vulnerable that would result in loss and dependent on favourable business, financial and economic conditions to meet financial commitments.
Loss (D)	Obligor will fail to pay all when it comes due.
Unrated	Financial assets that are not rated by any external rating agencies. Therefore, the monitoring of credit risks are performed based on credit terms and financial standing of the counterparties.

32. Financial instruments by category

Credit risk (cont'd.)

(b) Expected credit loss measurement (cont'd.)

(iii) Credit quality of financial assets (cont'd.)

	31 December 2022						
	Non credit-impaired				Credit-impaired		
	A-1 to A-3	B	C	Unrated	D	Unrated	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
Trade receivables	-	977	-	4,888	-	8,325	14,190
Cash and short-term funds	244,290	37,185	294	2	-	-	281,771
Non-trade receivables and deposits	3,022	342	309	6,376	-	-	10,049
	247,312	38,504	603	11,266	-	8,325	306,010
Company							
Trade receivables	-	977	-	6,150	-	8,311	15,438
Cash and short-term funds	234,263	37,185	294	1	-	-	271,743
Non-trade receivables and deposits	3,022	342	309	6,971	-	-	10,644
	237,285	38,504	603	13,122	-	8,311	297,825

	31 December 2021						
	Non credit-impaired				Credit-impaired		
	A-1 to A-3	B	C	Unrated	D	Unrated	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
Trade receivables	-	646	-	2,634	-	8,500	11,780
Cash and short-term funds	174,401	53,740	647	1	-	-	228,789
Non-trade receivables and deposits	2,757	1,091	243	6,249	-	-	10,340
	177,158	55,477	890	8,884	-	8,500	250,909

32. Financial instruments by category

Credit risk (cont'd.)

(b) Expected credit loss measurement (cont'd.)

(iii) Credit quality of financial assets (cont'd.)

	31 December 2021						
	Non credit-impaired				Credit-impaired		
	A-1 to A-3	B	C	Unrated	D	Unrated	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company							
Trade receivables	-	646	-	4,173	-	8,486	13,305
Cash and short-term funds	166,788	53,740	647	1	-	-	221,176
Non-trade receivables and deposits	2,757	1,091	243	6,695	-	-	10,786
	169,545	55,477	890	10,869	-	8,486	245,267

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. 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 objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

32. Financial risk management objectives and policies (cont'd.)

Liquidity risk (cont'd.)

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted payments:

Group	On demand or within one year RM'000	One to five years RM'000	Total RM'000
At 31 December 2022			
Financial liabilities			
Settlement obligations (Note 24)	181,078	-	181,078
Non-trade payables and accruals (excluding non-financial liabilities) (Note 25)	27,711	-	27,711
Lease liabilities (Note 11)	1,996	2,002	3,998
Borrowings (Note 23)	81,860	14,050	95,910
Total undiscounted financial liabilities	292,645	16,052	308,697

Group	On demand or within one year RM'000	One to five years RM'000	Total RM'000
At 31 December 2021			
Financial liabilities			
Settlement obligations (Note 24)	144,120	-	144,120
Non-trade payables and accruals (excluding non-financial liabilities) (Note 25)	22,828	-	22,828
Lease liabilities (Note 11)	2,462	2,144	4,606
Borrowings (Note 23)	19,387	22,078	41,465
Total undiscounted financial liabilities	188,797	24,222	213,019

Company	On demand or within one year RM'000	One to five years RM'000	Total RM'000
At 31 December 2022			
Financial liabilities			
Settlement obligations (Note 24)	182,195	-	182,195
Non-trade payables and accruals (excluding non-financial liabilities) (Note 25)	59,254	-	59,254
Lease liabilities (Note 11)	1,996	2,002	3,998
Borrowings (Note 23)	81,370	14,050	95,420
Total undiscounted financial liabilities	324,815	16,052	340,867

32. Financial risk management objectives and policies (cont'd.)

Liquidity risk (cont'd.)

Analysis of financial liabilities by remaining contractual maturities (cont'd.)

Company	On demand or within one year RM'000	One to five years RM'000	Total RM'000
At 31 December 2021			
Financial liabilities			
Settlement obligations (Note 24)	144,081	-	144,081
Non-trade payables and accruals (excluding non-financial liabilities) (Note 25)	55,303	-	55,303
Lease liabilities (Note 11)	2,462	2,144	4,606
Borrowings (Note 23)	19,387	22,078	41,465
Total undiscounted financial liabilities	221,233	24,222	245,455

Cash flow risk

Cash flow risk is the risk of fluctuation in the amounts of future cash flows associated with monetary financial instruments. Cash flow forecasts are prepared incorporating all major transactions. Any temporary excess funds, as and when available, from operating cash cycles, are invested in short-term placements and fixed deposits with a wide array of licensed financial institutions at the most competitive interest rates obtainable.

Interest rate risk

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

32. Financial risk management objectives and policies (cont'd.)

Interest rate risk (cont'd.)

The Group's and the Company's exposure to interest rate risk arises primarily from short-term money market deposits and floating rate borrowings. In respect of interest-bearing financial assets and financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

	Effective interest rate per annum %	Less than one year RM'000	Between one and five years RM'000	Total RM'000
Group				
At 31 December 2022				
Financial assets:				
Trust account (Note 20)	2.90 - 4.20	138,092	-	138,092
Short term money market deposit (Note 20)	0.68	-	-	-
		138,092	-	138,092
Financial liabilities:				
Bank overdraft (Note 23)	4.45 - 4.60	73,342	-	73,342
Term loan (Note 23)	4.91	8,518	14,050	22,568
		81,860	14,050	95,910
At 31 December 2021				
Financial assets:				
Trust account (Note 20)	1.95 - 2.45	101,453	-	101,453
Short term money market deposit (Note 20)	0.25 - 0.35	2,600	-	2,600
		104,053	-	104,053
Financial liabilities:				
Bank overdraft (Note 23)	3.45 - 3.60	11,359	-	11,359
Term loan (Note 23)	3.86	8,028	22,078	30,106
		19,387	22,078	41,465

32. Financial risk management objectives and policies (cont'd.)

Interest rate risk (cont'd.)

	Effective interest rate per annum %	Less than one year RM'000	Between one and five years RM'000	Total RM'000
Company				
At 31 December 2022				
Financial assets:				
Trust account (Note 20)	2.90 - 4.20	138,092	-	138,092
Financial liabilities:				
Bank overdraft (Note 23)	4.45 - 4.60	73,342	-	73,342
Term loan (Note 23)	4.91	8,028	14,050	22,078
		81,370	14,050	95,420
At 31 December 2021				
Financial assets:				
Trust account (Note 20)	1.95 - 2.45	101,453	-	101,453
Financial liabilities:				
Bank overdraft (Note 23)	3.45 - 3.60	11,359	-	11,359
Term loan (Note 23)	3.86	8,028	22,078	30,106
		19,387	22,078	41,465

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's loss before taxation would have been RM181,000 higher/lower (2021: profit before taxation would have been RM300,000 lower/higher) and Company's loss before taxation would have been RM181,000 higher/lower (2021: profit before taxation would have been RM287,000 lower/higher). The assumed movement in basis point for interest rate sensitivity analysis is based on the currently observable market environment.

32. Financial risk management objectives and policies (cont'd.)

Foreign currency risk

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

The Group and the Company are exposed to foreign currency exchange risk arising from currency exposures primarily to USD, BDT, INR, IDR and SGD. These currency risks are generally not hedged, as such risks may be naturally hedged through the planned course of business and by matching income and expenditure to minimise currency exchange.

Foreign currency risk exposure

The currency risk exposure profiles for each class of financial instruments are as follows:

	USD RM'000	BDT RM'000	IDR RM'000	INR RM'000	SGD RM'000	Others RM'000	Total RM'000
Group							
At 31 December 2022							
Financial assets in foreign currencies							
Cash and bank balances	5,616	-	3	-	5,809	293	11,721
Pre-funding to disbursement partners	8,981	22,805	24,070	9,353	502	16,421	82,132
Financial assets at FVTPL	2,246	-	1,513	559	11,236	12,707	28,261
Trade receivables	123	40	177	-	-	136	476
Non-trade receivables, deposits and prepayments	3,638	-	-	-	34	-	3,672
Financial liabilities in foreign currencies							
Settlement obligations	(11,001)	-	(311)	(159)	(3,777)	(9,769)	(25,017)
Net exposure	9,603	22,845	25,452	9,753	13,804	19,788	101,245

32. Financial risk management objectives and policies (cont'd.)

Foreign currency risk (cont'd.)

Foreign currency risk exposure (cont'd.)

	USD RM'000	BDT RM'000	IDR RM'000	INR RM'000	SGD RM'000	Others RM'000	Total RM'000
Company							
At 31 December 2022							
Financial assets in foreign currencies							
Cash and bank balances	5,616	-	3	-	5,809	293	11,721
Pre-funding to disbursement partners	8,981	22,805	24,070	9,353	502	16,421	82,132
Financial assets at FVTPL	2,246	-	1,513	559	11,236	12,707	28,261
Trade receivables	103	-	-	-	3,110	-	3,213
Non-trade receivables, deposits and prepayments	3,638	-	-	-	34	-	3,672
Financial liabilities in foreign currencies							
Settlement obligations	(11,001)	-	(311)	(159)	(3,777)	(9,769)	(25,017)
Net exposure	9,583	22,805	25,275	9,753	16,914	19,652	103,982

32. Financial risk management objectives and policies (cont'd.)

Foreign currency risk (cont'd)

Foreign currency risk exposure (cont'd.)

Group	USD RM'000	BDT RM'000	IDR RM'000	INR RM'000	SGD RM'000	Others RM'000	Total RM'000
At 31 December 2021							
Financial assets in foreign currencies							
Cash and bank balances	1,572	-	3	-	4,111	94	5,780
Pre-funding to disbursement partners	8,078	23,539	15,181	10,003	1,979	18,788	77,568
Financial assets at FVTPL	1,360	-	2,637	114	2,983	5,176	12,270
Trade receivables	472	40	177	-	-	136	825
Non-trade receivables, deposits and prepayments	4,061	-	-	-	31	-	4,092
Financial liabilities in foreign currencies							
Settlement obligations	(17,133)	-	(154)	(111)	(2,480)	(5,290)	(25,168)
Other payables	(539)	-	-	-	-	-	(539)
Net exposure	(2,129)	23,579	17,844	10,006	6,624	18,904	74,828

32. Financial risk management objectives and policies (cont'd.)

Foreign currency risk (cont'd)

Foreign currency risk exposure (cont'd.)

	USD RM'000	BDT RM'000	IDR RM'000	INR RM'000	SGD RM'000	Others RM'000	Total RM'000
Company							
At 31 December 2021							
Financial assets in foreign currencies							
Cash and bank balances	1,572	-	3	-	4,111	94	5,780
Pre-funding to disbursement partners	8,078	23,539	15,181	10,003	1,979	18,788	77,568
Financial assets at FVTPL	1,360	-	2,637	114	2,983	5,176	12,270
Trade receivables	413	-	-	-	2,456	-	2,869
Non-trade receivables, deposits and prepayments	4,061	-	-	-	31	-	4,092
Financial liabilities in foreign currencies							
Settlement obligations	(17,133)	-	(154)	(111)	(2,480)	(5,290)	(25,168)
Other payables	(539)	-	-	-	-	-	(539)
Net exposure	(2,188)	23,539	17,667	10,006	9,080	18,768	76,872

32. Financial risk management objectives and policies (cont'd.)

Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following tables demonstrate the sensitivity to a reasonably possible change in USD, BDT, INR, IDR and SGD exchange rates, with all other variables held constant. The impact on the Group's and the Company's loss before taxation is due to changes in the fair value of monetary assets and liabilities. The Group's and the Company's exposure to foreign currency changes for all other currencies is not material.

	Effect on (loss)/profit before taxation			
	Group		Company	
	2022 Decrease/ (Increase) RM'000	2021 Increase/ (Decrease) RM'000	2022 Decrease/ (Increase) RM'000	2021 Increase/ (Decrease) RM'000
USD				
- strengthen 3% (2021: 3%)	288	(64)	287	(66)
- weaken 3% (2021: 3%)	(288)	64	(287)	66
BDT				
- strengthen 3% (2021: 3%)	685	707	684	706
- weaken 3% (2021: 3%)	(685)	(707)	(684)	(706)
IDR				
- strengthen 3% (2021: 3%)	764	535	758	530
- weaken 3% (2021: 3%)	(764)	(535)	(758)	(530)
INR				
- strengthen 3% (2021: 3%)	293	300	293	300
- weaken 3% (2021: 3%)	(293)	(300)	(293)	(300)
SGD				
- strengthen 3% (2021: 3%)	414	199	507	272
- weaken 3% (2021: 3%)	(414)	(199)	(507)	(272)
Others				
- strengthen 3% (2021: 3%)	594	563	589	563
- weaken 3% (2021: 3%)	(594)	(563)	(589)	(563)

The method used for deriving sensitivity information and significant variables has not changed from the previous year.

33. Fair values

Management assessed that the fair values of trade receivables, non-trade receivables and deposits, cash and short-term funds, settlement obligations, non-trade payables and short-term borrowings approximate their carrying amounts due to the relatively short-term nature of these financial instruments.

The fair value of long-term borrowings has been determined using discounted cash flow techniques. The discount rates used are based on the effective interest rates of the Group's and Company's borrowings as disclosed in Note 34. The fair value of long-term borrowings approximate their carrying amounts as at 31 December 2022 and 31 December 2021.

The fair value measurement for the Group's and the Company's properties of RM2,570,000 (2021: RM2,570,000), has been categorised under Level 3 of the fair value hierarchy.

Description of valuation techniques and the significant unobservable inputs used in the valuation of the properties are as set out below:

	Valuation technique	Significant unobservable input	Range 2022	Range 2021
Commercial building	Market approach - Comparison method	Estimated value per square foot	RM544 - RM551	RM544 - RM551
Shop lots	Market approach - Comparison method	Estimated value per square foot	RM364	RM364

An increase or decrease in the estimated value per square foot in isolation used in the valuation will result in a correspondingly higher or lower fair value of the properties.

33. Fair values (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

	Group and Company			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2022				
Assets measured at fair value:				
Financial assets at FVTPL:				
Foreign currencies at FVTPL	28,261	-	-	28,261
Revalued properties:				
Commercial buildings and shop lots	-	-	2,330	2,330

	Group and Company			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2021				
Assets measured at fair value:				
Financial asset at FVTPL:				
Foreign currencies at FVTPL	12,270	-	-	12,270
Revalued properties:				
Commercial buildings and shop lots	-	-	2,404	2,404

The movement from beginning to ending balances for assets carried under the Level 3 hierarchy of the Group and of the Company in the previous and current financial years is disclosed in Note 9. There were no transfers between Level 1 and Level 2 during 2022 and 2021.

34. Capital management

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain sufficient capital in order to support their businesses. As at 31 December 2022 and 31 December 2021, the Group and the Company have complied with the following capital requirements:

(i) Money Services Business Act, 2011, minimum capital funds of RM12,000,000 (2021: RM12,000,000) as required by Bank Negara Malaysia; and

(ii) BNM/RH/GL 016-3 *Guideline on Electronic Money (E-Money)*, to maintain at all time, minimum shareholders' funds unimpaired by losses of RM5,000,000 or 8% of the Company's outstanding e-money liabilities, whichever is higher.

The directors monitor capital using a gearing ratio, represented as total debt divided by total equity plus total debt.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Borrowings (a)	95,910	41,465	95,420	41,465
Total equity (b)	101,450	118,749	107,176	126,168
Capital and total debt (c) = (a) + (b)	197,360	160,214	202,596	167,633
Gearing ratio (d) = (a)/(c)	0.49	0.26	0.47	0.25

35. Segment information

The following segment information has been prepared in accordance with MFRS 8 *Operating Segments*, which defines the requirements for the disclosure of financial information of an entity's operating segments. It is prepared on the basis of the "management approach", which requires presentation of the segments on the basis of internal reports about the components of the entity which are regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and assess its performance. The Group's businesses are organised into the following five segments based on the types of products and services that the segment provides:

(a) Money services business

The money services business segment covers remittance business and currency business.

(b) Communication business

The communication business segment covers provision of prepaid services for voice, data, international direct dialling to individual customers and IATS.

(c) Payment business

The payment business comprises the issue of the electronic wallet and multi-currency Visa prepaid card, as well as the merchant acquisition business.

(d) Technology solutions business

The technology solutions business comprises system development and providing solutions to customers.

(e) Other businesses

The other businesses include selling of mobile coupons and marketing services on remittance business.

35. Segment information (cont'd.)

Group 2022	Money services business RM'000	Communi-cation business RM'000	Payment business RM'000	Technology solutions business RM'000	Others businesses RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue	138,349	57,861	10,476	12,756	1,609	221,051	(12,432)	208,619
Cost of sales	(28,792)	(52,208)	(7,821)	(9,121)	(623)	(98,565)	9,077	(89,488)
Gross profit	109,557	5,653	2,655	3,635	986	122,486	(3,355)	119,131
Other income	2,489	105	320	7	-	2,921	(16)	2,905
Other operating expenses	(107,887)	(5,640)	(30,589)	(301)	793	(143,624)	3,003	(140,621)
Finance costs	(2,356)	-	-	-	-	(2,356)	-	(2,356)
Profit/(Loss) before taxation	1,803	118	(27,614)	3,341	1,779	(20,573)	(368)	(20,941)
Taxation								2,506
Net loss for the year								(18,435)
Other disclosures								
Depreciation of property and equipment	3,285	393	231	58	2	3,969	-	3,969
Amortisation of intangible assets	3,235	184	1,379	14	67	4,879	(543)	4,336
Depreciation of right-of-use assets	2,538	-	-	-	-	2,538	-	2,538

Reconciliation of loss before taxation

Segment loss	(20,573)
Eliminations	
Inter-segment sales elimination from subsidiaries	(12,432)
Inter-segment purchases elimination from subsidiaries	9,077
Inter-segment management fee expense charged to subsidiaries	-
Inter-segment profit elimination	2,987
	(20,941)

35. Segment information (cont'd.)

Group 2022	Money services business RM'000	Communi-cation business RM'000	Payment business RM'000	Technology solutions business RM'000	Others businesses RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Segment assets								
Property and equipment	10,319	4,117	961	90	5	15,492	-	15,492
Intangible assets	10,789	2,537	13,191	26	334	26,877	(3,386)	23,491
Inventories	-	117	352	-	-	469	-	469
Trade receivables	6,881	2,775	167	3,120	-	12,943	(7,299)	5,644
Financial assets at fair value through profit or loss	28,261	-	-	-	-	28,261	-	28,261
Unallocated assets						415,321	(77,088)	338,233
Total assets						499,363	(87,773)	411,590
Segment liabilities								
Settlement obligations	38,883	90	143,231	4	973	183,181	(2,103)	181,078
Unallocated liabilities						166,304	(37,242)	129,062
Total liabilities						349,485	(39,345)	310,140

35. Segment information (cont'd.)

Group 2021	Money services business RM'000	Communi-cation business RM'000	Payment business RM'000	Technology solutions business RM'000	Others businesses RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue	138,608	42,530	6,501	8,795	131	196,565	(8,222)	188,343
Cost of sales	(31,175)	(38,641)	(5,062)	(5,686)	(20)	(80,584)	5,438	(75,146)
Gross profit	107,433	3,889	1,439	3,109	111	115,981	(2,784)	113,197
Other income	1,216	-	549	3	87	1,855	(283)	1,572
Other operating expenses	(95,920)	(6,509)	(25,634)	(2,115)	(1,652)	(131,830)	1,182	(130,648)
Finance costs	(1,846)	-	-	(16)	-	(1,862)	-	(1,862)
Profit/(Loss) before taxation	10,883	(2,620)	(23,646)	981	(1,454)	(15,856)	(1,885)	(17,741)
Taxation								1,937
Net loss for the year								(15,804)
Other disclosures								
Depreciation of property and equipment	3,238	435	226	101	33	4,033	-	4,033
Amortisation of intangible assets	3,863	278	1,026	12	46	5,225	(274)	4,951
Depreciation of right-of-use assets	2,911	-	-	114	-	3,025	-	3,025

Reconciliation of profit before taxation (before share of net loss of associate)

Segment profit	(15,856)
Eliminations	
Inter-segment sales elimination from subsidiaries	(8,222)
Inter-segment purchases elimination from subsidiaries	5,438
Inter-segment management fee expense charged to subsidiaries	105
Inter-segment profit elimination	794
	(17,741)

35. Segment information (cont'd.)

Group 2021	Money services business RM'000	Communi- cation business RM'000	Payment business RM'000	Technology solutions business RM'000	Others businesses RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Segment assets								
Property and equipment	10,136	4,313	616	106	8	15,179	-	15,179
Intangible assets	13,102	5,455	3,030	30	220	21,837	(2,297)	19,540
Inventories	-	1,044	457	-	-	1,501	-	1,501
Trade receivables	3,023	1,708	501	1,258	-	6,490	(3,894)	2,596
Financial assets at fair value through profit or loss	12,270	-	-	-	-	12,270	-	12,270
Unallocated assets						361,059	(78,356)	282,703
Total assets						418,336	(84,547)	333,789
Segment liabilities								
Settlement obligations	42,137	47	102,190	-	129	144,503	(383)	144,120
Unallocated liabilities						107,606	(36,686)	70,920
Total liabilities						252,109	(37,069)	215,040

36. Significant event

(i) Reduction and Repayment for a Subsidiary

Valyou is currently working to exercise capital reduction and repayment of RM53,000,000 (RM1 per share for 53,000,000 unit of shares). The exercise involve repayment of RM25,000,000 to the Company and RM28,000,000 (RM1 per share for 28,000,000 unit of shares) to offset against accumulated losses in the subsidiary. As at the date of this report, the exercise is not completed and will be finalised subject to relevant regulatory and financial institution approval.

37. Discontinued operation

On 1 April 2022, the Company has transferred its MVNO business to its wholly owned subsidiary, Valyou. The MVNO business represents part of the Company's communication business. The result of the MVNO business for the financial year are presented below:

	2022			2021		
	Continued RM'000	Discontinued RM'000	Total RM'000	Continued RM'000	Discontinued RM'000	Total RM'000
Revenue	148,452	577	149,029	143,294	1,013	144,307
Cost of sales	(36,853)	-	(36,853)	(35,799)	-	(35,799)
Gross profit	111,599	577	112,176	107,495	1,013	108,508
Other income	2,722	38	2,760	1,551	-	1,551
Other expenses	(1,049)	-	(1,049)	(354)	-	(354)
Administrative expenses	(47,841)	(301)	(48,142)	(40,035)	(922)	(40,957)
Personnel expenses	(71,972)	(1,305)	(73,277)	(63,524)	(3,323)	(66,847)
Depreciation and amortisation	(10,381)	(437)	(10,818)	(10,063)	(674)	(10,737)
Selling and marketing expenses	(2,215)	(91)	(2,306)	(4,772)	(424)	(5,196)
Write-back of/(Allowance for) expected credit losses ("ECL")	391	67	458	815	(244)	571
Operating loss	(18,746)	(1,452)	(20,198)	(8,887)	(4,574)	(13,461)
Finance costs	(2,356)	-	(2,356)	(1,846)	-	(1,846)
Loss before taxation	(21,102)	(1,452)	(22,554)	(10,733)	(4,574)	(15,307)
Taxation	3,562	-	3,562	2,421	-	2,421
Net loss for the year	(17,540)	(1,452)	(18,992)	(8,312)	(4,574)	(12,886)

37. Discontinued operation (cont'd.)

The major classes of asset transferred to Valyou as at 1 April 2022 are as follows:

	Company 2022 RM'000
Assets	
Property & equipment at net carrying amount (Note 9)	27
Intangible assets at net carrying amount (Note 10)	123
Work-in-progress (Note 10)	151
Prepayments (Note 17)	10
Inventories	57
	368

Asset directly associated with transferred of MVNO business

There were no gains or losses recognised in statement of comprehensive income of the Company with respect to the transferred of the MVNO business.

The net cash flows incurred by the MVNO business are, as follows:

	Company	
	2022 RM'000	2021 RM'000
Net cash generated by discontinued operations	(1,082)	(3,656)