

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the Six(6) months ended 30 June 2019

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30-Jun-19 Unaudited RM'000	30-Jun-18 Unaudited RM'000	30-Jun-19 Unaudited RM'000	30-Jun-18 Unaudited RM'000
Revenue	9,719	9,555	18,987	16,954
Operating Expenses	(11,058)	(9,688)	(21,326)	(20,009)
Profit/(Loss) from Operations	<u>(1,339)</u>	<u>(133)</u>	<u>(2,339)</u>	<u>(3,055)</u>
Net interest income/(expense)	274	26	484	165
Profit/(Loss) before taxation	<u>(1,065)</u>	<u>(107)</u>	<u>(1,855)</u>	<u>(2,890)</u>
Income tax expense	(623)	(799)	(1,103)	(2,194)
Net Profit/(Loss) for the period	<u><u>(1,688)</u></u>	<u><u>(906)</u></u>	<u><u>(2,958)</u></u>	<u><u>(5,084)</u></u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	(3,265)	(915)	(3,664)	(2,435)
Other comprehensive (loss)/income for the period, net of tax	<u>(3,265)</u>	<u>(915)</u>	<u>(3,664)</u>	<u>(2,435)</u>
Total comprehensive income/(loss) for the period	<u><u>(4,953)</u></u>	<u><u>(1,821)</u></u>	<u><u>(6,622)</u></u>	<u><u>(7,519)</u></u>
Attributable to:				
Equity holders of the Company	(2,125)	(1,729)	(3,788)	(6,049)
Non-controlling interests	436	823	829	965
	<u>(1,689)</u>	<u>(906)</u>	<u>(2,959)</u>	<u>(5,084)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(4,003)	(2,560)	(5,861)	(7,487)
Non-controlling interests	(950)	739	(761)	(32)
	<u>(4,953)</u>	<u>(1,821)</u>	<u>(6,622)</u>	<u>(7,519)</u>
Earnings/(loss) per share				
Basic / Diluted (sen)	(0.36)	(0.30)	(0.65)	(1.04)

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
For the Six(6) months ended 30 June 2019

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit before taxation				
Included in the Profit before tax are the following items:				
Allowance for impairment of receivables	-	142	-	173
Amortisation of product development expenditure	525	354	761	688
Bad debts written off	-	86	-	172
Depreciation of plant and equipment	322	292	639	601
(Gain)/loss on disposal of plant and equipment	(84)	(216)	(133)	(274)
<u>(Gain)/loss on foreign exchange translation</u>				-
- Realised	15	214	13	207
- Unrealised	72	(1,119)	227	46
<u>Interest expense/(income)</u>				-
- Interest expense	8	9	16	19
- Interest income	(282)	(35)	(500)	(183)
Inventories written down	-	-	-	-
Inventories written off	-	-	-	-
Property, plant and equipment written off	-	-	24	-

There is no income/expenses in relation to the below items :

- Allowance for impairment of joint venture
- Exceptional items (Otherwise disclosed)
- Gain/loss on derivatives
- Impairment loss on goodwill
- Impairment loss on investment in an associate
- Investment income - Profit Guarantee ; and
- Product development expenditure written off

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 June 2019

	30-Jun-19 Unaudited RM'000	31-Dec-18 Audited RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	5,155	5,464
Intangible Asset	3,242	3,497
Other investment	2,009	2,009
Trade and other receivables	40	43
Deferred Tax Assets	33	39
	<u>10,479</u>	<u>11,052</u>
Current Assets		
Other investment	3,795	4,440
Inventories	2,340	2,244
Trade and other receivables	24,732	24,418
Amount due from related company	-	-
Amount due from jointly controlled entity	-	-
Tax refundable	13	13
Cash and bank balances	11,010	13,696
	<u>41,890</u>	<u>44,811</u>
Asset classified as held for sale	-	-
TOTAL ASSETS	<u>52,369</u>	<u>55,863</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	62,946	62,946
Share premium	-	-
Treasury shares	(566)	(566)
Warrant reserve	9,816	9,816
Accumulated losses	(39,583)	(35,795)
Foreign currency translation reserve	(4,247)	(2,174)
	<u>28,366</u>	<u>34,227</u>
Non-controlling interests	<u>8,179</u>	<u>8,940</u>
Total equity	<u>36,545</u>	<u>43,167</u>
Current Liabilities		
Trade and other payables	14,051	11,994
Loans and borrowings	129	117
Amount due to a director	650	-
Tax payable	437	-
	<u>15,267</u>	<u>12,111</u>
Non-current Liabilities		
Loans and borrowings	492	521
Deferred tax liabilities	57	56
Provision for gratuity	8	8
	<u>557</u>	<u>585</u>
Total liabilities	<u>15,824</u>	<u>12,696</u>
TOTAL EQUITY AND LIABILITIES	<u>52,369</u>	<u>55,863</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	4.85	5.86

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**For the Six(6) months ended 30 June 2019**

	(Note a) Share Capital	Share Premium	Treasury Shares	Warrant Reserve	Foreign Currency Translation Reserve	Retained Earnings/ (Accumulated Losses)	Total	Non-Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Six(6) months ended 30 June 2019									
Balance at 1 January 2019	62,946	-	(566)	9,816	(2,174)	(35,795)	34,228	8,940	43,167
Total comprehensive income/(loss) for the period	-	-	-	-	(2,073)	(3,788)	(5,861)	(762)	(6,623)
Transactions with owners									
Dividend paid	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	62,946	-	(566)	9,816	(4,247)	(39,583)	28,367	8,178	36,545
Eighteen (18) months ended 31 December 2018									
Balance at 1 July 2017	62,946	-	(566)	9,816	2,414	(20,124)	54,486	10,373	64,859
Issuance of shares	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	(4,588)	(15,671)	(20,259)	(731)	(20,989)
Transactions with owners									
Dividend paid	-	-	-	-	-	-	-	(703)	(703)
Balance at 31 December 2018	62,946	-	(566)	9,816	(2,174)	(35,795)	34,228	8,940	43,167

Note a

With the Companies Act 2016 ("NewAct") coming into effect on 31 January 2017, the credit standing in the share premium account of RM4,261,000 has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six(6) months ended 30 June 2019

	6 months ended	
	30-Jun-19 Unaudited RM'000	30-Jun-18 Unaudited RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(1,855)	(2,890)
Adjustment for :		-
Allowance for impairment of receivables	-	173
Amortisation of product development expenditure	761	688
Bad debts recovered	-	-
Bad debts written off	-	172
Depreciation of plant and equipment	639	601
(Gain)/loss on disposal of plant and equipment	(133)	(274)
(Gain)/loss on foreign exchange translation - Unrealised	227	46
Interest expense	16	19
Interest income	(500)	(183)
Plant and equipment written off	24	-
Operating profit before working capital changes	<u>(821)</u>	<u>(1,648)</u>
Changes in working capital :		
Increase/(Decrease) in inventories	(96)	1,663
Increase/(Decrease) in trade and other receivables	(538)	5,323
(Decrease)/Increase in trade and other payables	2,057	(1,146)
(Decrease)/Increase in amount due to a Director	650	(11)
Cash flows (used in)/generated from operating activities	<u>1,252</u>	<u>4,181</u>
Tax paid	<u>(659)</u>	<u>(2,203)</u>
Net cash (used in)/generated from operating activities	<u>593</u>	<u>1,978</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Addition) / Return of other investment	(3,795)	-
Interest received	500	183
Purchase of plant and equipment	(221)	(168)
Product development expenditure	(506)	(468)
Net cash used in investing activities	<u>(4,022)</u>	<u>(453)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest expense	(16)	(19)
Dividend paid by subsidiaries to non-controlling interests	-	(703)
Repayment of loans and borrowings	(17)	(63)
Net cash generated from/(used in) financing activities	<u>(33)</u>	<u>(785)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,462)	740
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	776	(2,435)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>13,696</u>	<u>26,598</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>11,010</u>	<u>24,903</u>

The cash and cash equivalents at beginning of year and quarter end represents cash on hand, cash and banks balances.

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
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Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to understanding the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. Significant Accounting Policies

The accounting policies applied by the Group in preparing the condensed consolidated interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2018.

The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2018 where applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

3. Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

4. Unusual Items due to their Nature, Size or Incidence

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the current quarter under review.

5. Changes in Accounting Estimates and Errors

There were no changes in accounting estimates or error that have a material effect in the current quarter under review.

6. Debt and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-back, shares cancellations, shares held as treasury shares and resale of treasury shares in the current quarter under review.

7. Dividend Paid

No dividend has been proposed or paid in the current quarter under review.

8. Segmental Information

Segmental information of the results of the Group for the cumulative quarter is as follows:

(i) Geographical Segment

<u>6 months ended</u> <u>30 June 19</u>	Malaysia RM'000	Thailand RM'000	Pakistan RM'000	Other Countries RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	7,060	122	11,993	871	(1,059)	18,987
Segment results	(1,804)	(883)	3,402	(2,554)	(500)	(2,339)
Interest (expense)/income	(16)	-	-	-	500	484
Profit/(loss) before taxation	(1,820)	(883)	3,402	(2,554)	-	(1,855)
Segment assets	49,996	7,528	31,759	30,329	(67,243)	52,369
Segment liabilities	34,909	4,158	5,813	42,688	(71,744)	15,825

<u>6 months ended</u> <u>30 June 18</u>	Malaysia RM'000	Thailand RM'000	Pakistan RM'000	Other Countries RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	3,587	155	13,460	566	(814)	16,954
Segment results	(3,289)	(595)	5,054	(4,004)	(221)	(3,055)
Interest (expense)/income	(18)	-	-	-	183	165
Profit/(loss) before taxation	(3,307)	(595)	5,054	(4,004)	(38)	(2,890)
Segment assets	49,641	7,423	35,036	30,362	(57,103)	65,359
Segment liabilities	27,665	3,029	6,448	38,727	(64,431)	11,439

8. Segmental Information (cont'd)

(ii) Business Segment

<u>6 months ended</u> <u>30 June 19</u>	Mobile Solutions and Trading RM'000	Cloud Service Solutions RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	17,513	2,533	(1,059)	18,987
Segment results	1,400	(3,239)	(500)	(2,339)
Interest income/(expense)	(16)	-	500	484
Profit/(loss) before taxation	1,384	(3,239)	-	(1,855)
Segment assets	103,972	15,641	(67,243)	52,370
Segment liabilities	66,900	20,667	(71,744)	15,823

<u>6 months ended</u> <u>30 June 18</u>	Mobile Solutions and Trading RM'000	Cloud Service Solutions RM'000	Eliminations/ Adjustments RM'000	Group RM'000
Revenue	16,544	1,224	(814)	16,954
Segment results	3,312	(6,147)	(220)	(3,055)
Interest income/(expense)	(18)	-	183	165
Profit/(loss) before taxation	2,896	(5,749)	(38)	(2,890)
Segment assets	87,481	34,981	(57,103)	65,359
Segment liabilities	37,037	38,833	(64,431)	11,439

9. Related parties transactions

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	RM'000	RM'000	RM'000	RM'000
Sales to a related party	24	2	24	3
Purchase from a related party	32	15	67	22
	<u>56</u>	<u>17</u>	<u>91</u>	<u>25</u>

The transactions were carried out in the ordinary course of business and are on normal commercial terms

10. Subsequent Events

There was no material event took place between 1st January 2019 to the seventh day before the date of issuing this report.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

11. Performance Review

Table 1: Financial review for current quarter and financial year to date

Business Segment	Current quarter 3 months ended			Cumulative quarter 6 months ended		
	30-June-19	30-June-18	Changes	30-June-19	30-June-18	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Mobile Solutions and Trading						
Revenue	9,242	9,298	-1%	17,513	16,562	6%
Profit/(loss) before taxation	708	1,967	-64%	1,384	1,514	-9%
Cloud Service Solutions						
Revenue	1,046	667	57%	2,533	1,206	110%
Profit/(loss) before taxation	(1,797)	(2,199)	-18%	(3,239)	(4,366)	-26%
Adjustment						
Revenue	(569)	(409)	39%	(1,059)	(814)	21%
Profit/(loss) before taxation	24	126	-81%	-	(38)	-85%
Total						
Revenue	9,719	9,556	2%	18,987	16,954	12%
Profit/(loss) before taxation	(1,065)	(106)	905%	(1,855)	(2,890)	-36%
Profit/(loss) after taxation	(1,688)	(906)	86%	(2,958)	(5,084)	-42%
Profit/(loss) attributable to owners of the company	(2,125)	(1,729)	23%	(3,788)	(6,049)	-37%

30 June 2019 vs. 30 June 2018

The Group registered revenue of RM9.7 million and loss before tax of RM1.1 million for the current quarter ended 30 June 2019 compared to revenue of RM9.56 million and loss before tax of RM0.1 million of the corresponding quarter of previous year. Higher revenue in current quarter was mainly due to increase in demand for I3Display in Malaysia. In comparison, the Group registered higher loss before tax mainly due to high unrealized foreign exchange gain recorded in previous quarter for RM 1.1 million resulted to lower loss before tax in previous quarter. Additionally, the Group also registered under-provision cost of staff bonus in Pakistan for year 2018 in this current quarter amounting to RM 0.77 million.

The Mobile Solutions and Trading segments recorded revenue of RM9.2 million for current quarter, representing slightly decrease of RM0.1 million or 1% compared to the corresponding quarter of previous year. The decrease of revenue was due to effect of translation foreign exchange in Pakistan whereas the Pakistan Rupee currency (PKR) appreciated against MYR this year as compare to previous year.

The Cloud Service Solutions segment recorded an increase in revenue for the current quarter as compared to previous year quarter mainly due to higher sales volume of i3Display Panel and Cloud Service resulted from the Group effort to improve the Cloud Service Segment internally and externally. However, this segment still show negative result of loss before tax amounting to RM 1.8 million due to fixed expenses such as employment cost, in-house R&D cost and others.

Table 2: Financial review for current quarter compared with immediate preceding quarter

Business Segment	Current quarter 3 months ended		
	30-June-19	31-Mar-19	Changes
	RM'000	RM'000	(%)
Mobile Solutions and Trading			
Revenue	9,242	8,271	11.75%
Profit/(loss) before taxation	708	676	4.75%
Cloud Service Solutions			
Revenue	1,046	1,487	-30%
Profit/(loss) before taxation	(1,797)	(1,442)	25%
Adjustment			
Revenue	(569)	(490)	16%
Profit/(loss) before taxation	24	(24)	-200%
Total			
Revenue	9,719	9,268	5%
Profit/(loss) before taxation	(1,065)	(790)	35%
Profit/(loss) after taxation	(1,688)	(1,270)	33%
Profit/(loss) attributable to owners of the company	(2,125)	(1,663)	28%

30 June 2019 vs. 31 March 2019

The Group registered revenue of RM 9.7 million and loss before tax of RM1.1 million for the current quarter ended 30 June 2019 as compared to revenue of RM9.3 million and loss before tax of RM0.8 million in the previous quarter ended 31 March 2019. The higher revenue was mainly due to higher demand of value added services in Mobile Solution Division. However, lower loss after tax was due to accounting adjustment made in this current quarter for under-provision cost of staff bonus in Pakistan for year 2018 amounting to RM 0.77 million.

The Mobile Solutions and Trading segments recorded revenue of RM9.2 million for current quarter, representing an increase of RM1.0 million or 11.75% compared to previous quarter ended 31 March 2019 due to slightly higher demand of value added service especially for Pakistan region.

The Cloud Service Solutions segment registered revenue of RM 1.04 million representing a decrease of RM 0.44 million as compared to previous quarter revenue due to lower sales volume of i3Display Panel and Cloud Service resulted from long holiday period of Raya Festival in Malaysia. The decrease of revenue resulted to higher loss before tax of Cloud Service Solutions segment amounting to RM 1.8 million as compared to previous quarter loss before tax amounting to RM 1.4 million.

12. Commentary on Prospects

This quarter has recorded another marginal increase in revenue of RM0.45 million to RM9.72 million. This has been achieved through continuous perseverance from our sales teams. Although it may not seem too significant, if we factor in the Hari Raya fasting month, which traditionally contributes to a slow quarter, we believe it is acceptable.

As the overall business environment remains stable, there are areas with significantly contrasting performance. We have seen business increase in retail and property sectors, but our staple of exhibition organizers has been quiet. Nevertheless, with our portfolio of products continuing to grow, but yet remaining competitively priced, we are confident that unrelenting persistence will help us achieve critical mass for growth.

We have also begun to target larger projects, such as shopping malls and chain stores. However, these larger corporations are more demanding in their requirements. We have to create more refined and scalable products, some of which have a steep learning curve, but this will ultimately benefit us in the long term, as it will position us as a leader in our field. Although sometimes tedious, the rewards can be lucrative.

In the meantime, we continue to stay on top of our collections and have reduced debtor aging to manageable levels.

Malaysia & South East Asia

The team continues to service their previously signed major clients, such as Perodua, Malaysia Airport Holdings Berhad (“MAHB”), Avenue K Shopping Mall, and Desa Park City. New addition Taiwanese fast-food chain KLG has also initiated discussions and planning to further implement additional solutions in their stores. Negotiations are ongoing with shopping malls and event organizers, amongst others. Many of these are return customers who wish to expand the services and products that they already use.

The Group has also begun collaborative discussions with several retail Point-Of-Sales (“POS”) system providers. These system suppliers already have a well-established client base, which we will be able to access. We have both the manpower and ability to integrate our displays with the POS systems to provide a complete end-to-end solution to the retailers, particularly in the food & beverage industry.

Hong Kong & China

Display factories continue to work in harmony with us to provide our software to their clientele throughout the world. After constant and repeated visits to these digital signage factories in Southern China, our efforts are beginning to bear fruit. Combined with some cost-cutting measures, the China operations are expected to break-even soon.

Already deployed through a lead introduced by one of these factories is a Hawaiian desert and bubble tea store, which has helped expand our footprint.

13. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

14. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-Jun-19 RM'000	30-Jun-18 RM'000	30-Jun-19 RM'000	30-Jun-18 RM'000
In respect of current period:-				
- Malaysian tax	-	-	-	-
- Foreign tax	623	799	1,103	2,194
	<u>623</u>	<u>799</u>	<u>1,103</u>	<u>2,194</u>

The effective tax rate for the current quarter was higher than the statutory tax rate mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by a subsidiary.

15. Corporate Proposals

Utilisation of Proceeds from Corporate Exercises

Multiple Proposals

The Company had on 25 August 2016 completed its Rights Issue with Warrants exercise following the admission of the warrants to the Official List and the listing of and quotation for 389,525,880 new ordinary shares of RM0.10 each together with 292,144,409 warrants on the ACE Market of Bursa Securities.

The utilisation of gross proceeds raised as at 30 June 2019 is as follows:-

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance yet to be utilised (RM'000)	Estimated timeframe for utilisation
Purchase of i3Display terminals, screens and parts	3,147	3,147	-	Within 36 months
Purchase of products for distribution within existing and new product range	6,500	6,500	-	Within 24 months
Purchase of smart home solution devices	64	64	-	Within 36 months
Product/software development expenditure	3,500	3,500	-	Within 24 months
Working capital	25,443	25,443	-	Within 36 months
Estimated expenses for the proposals	299	299	-	Within 24 months
Total	38,953	38,953	-	

16. Group Borrowings and Debt Securities

The Group borrowings as at 30 June 2019 and 31 December 2018 are as follows:

	30-June-19 RM'000	31-Dec-18 RM'000
Current		
<u>Secured</u>		
- Term loan	66	64
- Obligations under finance leases	63	52
	129	116
Non-current		
<u>Secured</u>		
- Term loan	204	241
- Obligations under finance leases	288	279
	492	521
Total Group borrowings	621	637

The Group did not have any debt securities as at 30 June 2019.

17. Realised and Unrealised Earnings or Losses Disclosure

The retained earnings as at 31 June 2019 and 31 December 2018 are analysed as follows:

	30-Jun-19 RM'000	31-Dec-18 RM'000
The accumulated losses of the Group		
- Realised	(39,526)	(35,795)
- Unrealised	(57)	(56)
Total Group accumulated losses as per unaudited consolidated financial statement	<u>(39,583)</u>	<u>(35,851)</u>

18. Changes in Material Litigation

As at the seventh (7th) day before the date of issuing this report, the Company was not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

19. Earnings Per Share

The earnings per share was calculated by dividing the Company's profit after taxation and non-controlling interests by the weighted average number of ordinary shares in the respective period as follows:

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Profit/(Loss) after tax and non-controlling interests (RM'000)	(2,125)	(1,729)	(3,788)	(6,049)
Weighted average number of ordinary shares in issue	584,288,820	584,288,820	584,288,820	584,288,820
<u>Profit/(Loss) Per Share</u>				
Basic Earnings/(Diluted) Sen	(0.36)	(0.30)	(0.65)	(1.04)

20. Derivatives

The Group did not enter into any derivatives during the current quarter under review.

21. Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

22. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2018 was not qualified.

By order of the Board of Directors

Lim Seng Boon
Director
22 August 2019