



M3 TECHNOLOGIES (ASIA) BERHAD
Company No. 199901007872 (482772-D)
(Incorporated in Malaysia)

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

The Board of Directors of M3 Technologies (Asia) Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 June 2021 which should be read in conjunction with the audited consolidated financial statements for the financial period ended 31 March 2021 (“FPE 2021”) and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER Quarter Ended		CUMULATIVE QUARTER Period Ended	
		30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 *
Revenue	A8	15,115	N/A	15,115	N/A
Cost of sales		(11,369)	N/A	(11,369)	N/A
Gross profit		3,746	N/A	3,746	N/A
Other income		258	N/A	258	N/A
Administrative expenses		(3,945)	N/A	(3,945)	N/A
Selling and distribution expenses		(71)	N/A	(71)	N/A
Loss from operations		(12)	N/A	(12)	N/A
Finance costs		(36)	N/A	(36)	N/A
Loss before tax	B14	(48)	N/A	(48)	N/A
Tax expense	B7	(715)	N/A	(715)	N/A
Loss for the financial period		(763)	N/A	(763)	N/A
Other comprehensive loss:-					
Item that will be subsequently to profit or loss					
Exchange differences on translating foreign operation		(990)	N/A	(990)	N/A
Other comprehensive loss for the financial period		(990)	N/A	(990)	N/A
Total comprehensive loss for the financial period		(1,753)	N/A	(1,753)	N/A
Loss for the financial period attributable to:					
- Owners of the Company		(1,131)	N/A	(1,131)	N/A
- Non-controlling interests		368	N/A	368	N/A
		(763)	N/A	(763)	N/A
Total comprehensive loss attributable to:					
- Owners of the Company		(1,823)	N/A	(1,823)	N/A
- Non-controlling interests		70	N/A	70	N/A
		(1,753)	N/A	(1,753)	N/A
Losses per share attributable to the owner of the company					
Basic/Diluted (sen)	B13	(0.14)	N/A	(0.14)	N/A

* There are no comparative figures disclosed for the preceding cumulative period-to-date results following the change in the financial year end from 31 December to 31 March.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 30.06.2021 RM'000 (unaudited)	As At 31.03.2021 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant & equipment		4,243	4,571
Intangible assets		1,037	1,185
Right-of-use assets		1,220	1,404
Trade and other receivables		129	148
Deferred tax assets		104	108
Total non-current assets		<u>6,733</u>	<u>7,416</u>
Current assets			
Inventories		785	797
Trade and other receivables		30,072	25,828
Tax recoverable		3,329	2,922
Deposit with licensed bank, cash and bank balance		15,573	14,610
Total current assets		<u>49,759</u>	<u>44,157</u>
Total assets		<u>56,492</u>	<u>51,573</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the company			
Share capital		78,735	72,693
Treasury shares		(566)	(566)
Other reserves		(6,573)	(5,881)
Accumulated losses		(46,497)	(45,366)
		25,099	20,880
Non-controlling interest		<u>8,822</u>	<u>8,752</u>
Total equity		<u>33,921</u>	<u>29,632</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	B10	247	265
Lease liabilities		562	767
Provisions for retirement benefit obligation		9	9
Deferred tax liabilities		57	56
		<u>875</u>	<u>1,097</u>
Current liabilities			
Trade and other payables		20,978	19,992
Amount owing to Director		*	*
Bank borrowings	B10	136	146
Lease liabilities		582	706
Total current liabilities		<u>21,696</u>	<u>20,844</u>
Total liabilities		<u>22,571</u>	<u>21,941</u>
Total equity and liabilities		<u>56,492</u>	<u>51,573</u>
Net asset per share (RM)		<u>3.97</u>	<u>3.83</u>

*Less than RM1,000

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	[----- Non-distributable -----]				Distributable		Non-controlling interests RM'000	Total RM'000
	Share capital RM'000	ESOS Reserve RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000		
As at 1 April 2021	72,693	-	(566)	(5,881)	(45,366)	20,880	8,752	29,632
Transaction with owners:								
Grant of equity-settled share options to employee	-	373	-	-	-	373	-	373
Issuance of ordinary shares pursuant to: Employee Share Option Scheme ("ESOS")	6,042	(373)	-	-	-	5,669	-	5,669
	6,042	-	-	-	-	6,042	-	6,042
Loss after taxation/total comprehensive loss for the financial period	-	-	-	(692)	(1,131)	(1,823)	70	(1,753)
As at 30 June 2021	78,735	-	(566)	(6,573)	(46,497)	25,099	8,822	33,921
As at 1 April 2020 *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transaction with owners:								
Grant of equity-settled share options to employee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Issuance of ordinary shares pursuant to: Employee Share Option Scheme ("ESOS")	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Loss after taxation/total comprehensive loss for the financial period	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As at 30 June 2020 *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* There are no comparative figures disclosed for the preceding cumulative period-to-date results following the change in the financial year end from 31 December to 31 March.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	30.06.2021 RM'000 (unaudited)	Period Ended 30.06.2020 RM'000 *
Operating activities		
Loss before tax	(48)	N/A
Adjustments for:-		
Amortisation of intangible assets	260	N/A
Depreciation of property, plant and equipment	370	N/A
Depreciation of right-of-use asset	170	N/A
Interest expense	45	N/A
Interest income	(123)	N/A
Gain on disposal of property, plant and equipment	(5)	N/A
Unrealised gain on foreign exchange	(275)	N/A
Share-based payments	373	N/A
Operating loss before working capital changes	767	N/A
Changes in working capital:-		
Inventories	12	N/A
Payables	988	N/A
Receivables	(3,949)	N/A
Cash used in operations	(2,182)	N/A
Tax paid	(1,207)	N/A
Net cash used in operating activities	(3,389)	N/A
Investing activities		
Acquisition of:		N/A
- Property, plant and equipment	(138)	N/A
- Intangible assets	(125)	N/A
Interest received	123	N/A
Proceed on disposal of property, plant and equipment	52	N/A
Net cash generated from investing activities	(88)	N/A
Financing activities		
Proceeds from issuance of shares pursuant to ESOS	5,669	N/A
Interest paid	(45)	N/A
Repayment of bank borrowing	(29)	N/A
Repayment of lease liabilities	(328)	N/A
Net cash from financing activities	5,267	N/A
CASH AND CASH EQUIVALENTS		
Net changes	1,790	N/A
Effects of changes in foreign exchange rate	(826)	N/A
Brought forward	14,609	N/A
Carried forward	15,573	N/A
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposit with licensed bank, cash and bank balance	15,573	N/A

* There are no comparative figures disclosed for the preceding cumulative period-to-date results following the change in the financial year end from 31 December to 31 March.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in MFRS 134 – Interim Financial Reporting, the International Accounting Standard 34 Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

The interim financial statements should be read in conjunction with the audited financial statements for the FPE 2021 and the accompanying explanatory notes attached to the interim financial statements.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since FPE 2021.

The accounting policies and methods of computation used in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the FPE 2021 except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial periods beginning on or after 1 January 2021.

The Group has adopted the following Amendments to Standards during the financial period.

MFRS effective for financial periods beginning on or after 1 January 2021

Amendment to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contract and MFRS 16 Leases – Interest Rate Benchmark Reform-Phase 2

Amendment to MFRS 16 – COVID-19 related rent concessions beyond 30 June 2021

The adoption of the above pronouncements did not have material impact on the financial statements of the Group and of the Company.

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

MFRS effective for financial periods beginning on or after 1 January 2022

Amendment to MFRS 3	<i>Business Combinations- Reference to the Conceptual Framework</i>
Amendment to MFRS 116	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assts – Onerous Contract – Cost of Fulfilling a Contract</i>
Amendment to MFRS 1	<i>First time Adoption of Malaysian Financial Reporting Standards -Annual Improvements to MFRS Standards 2018-2020</i>
Amendment to MFRS 9	<i>Financial Instruments - Annual Improvements to MFRS Standards 2018-2020</i>

MFRS effective for financial periods beginning on or after 1 January 2023

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendment to MFRS 101	<i>Presentation of Financial Statements - Classification of liabilities as current or non-current</i>
Amendment to MFRS 108	<i>Definition of Accounting Estimates</i>

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A1. Basis of Preparation (Cont'd)

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board (Cont'd):

MFRS effective for financial periods beginning on or after 1 January 2023

Amendment to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

A2. Auditors' Report on the Preceding Annual Financial Statements

The auditor's report on the financial statements for FPE 2021 contained qualified opinion.

The Company has appointed an independent investigative auditor to review specific transaction and related accounting entries in financial period/year ended 31 December 2017 and 31 December 2018 to ascertain whether there were any fraudulent transactions involved in the business operations.

As the investigative auditor is in preliminary stage of review, the Independent Auditors have expressed a basis of qualified opinion due to the possible effects on in respect of those alleged dubious transactions and whether any adjustments might be necessary to the impairment losses amounting to RM985,061 recognised by the Group in the financial year ended 31 December 2019, and trade receivables and opening balance of retained earnings as at 1 January 2019.

A3. Seasonal or Cyclical Factors of Interim Operations

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the current financial quarter and period.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter and period.

A5. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial period, which may have a material effect in the current financial quarter and period results.

A6. Issues, Repurchases, and Repayments of Debt and Equity Securities

On 15 June 2021, 80,892,365 shares option were offered to eligible employee at an exercise price of RM0.07 each and were exercised on 17 June 2021.

A7. Dividends Paid

There were no dividends declared and paid for the current financial quarter.

A8. Segmental Information

Segmental information is presented in respect of the Group's geographical segments.

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A8. Segmental Information (Cont'd)

Geographical segments

The business segment is managed in few principal locations namely Malaysia, Thailand, Pakistan and other countries. In presenting information on the basis of geographical segments. Segmental revenue is presented based on the geographical location of customers.

The geographical segmental information on the Group is as follows:-

Period Ended 30.06.2021	Malaysia	Thailand	Pakistan	Other countries	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,752	1	9,249	2,189	(76)	15,115
Result:						
Segment result	(1,504)	60	1,460	(286)	-	(270)
Other Income	132	-	115	11	-	258
Finance costs	(14)	-	(16)	(6)	-	(36)
(Loss)/profit before taxation	(1,386)	60	1,559	(281)	-	(48)
Taxation	-	-	(703)	(12)	-	(715)
(Loss)/profit after taxation	(1,386)	60	856	(293)	-	(763)
Segment Assets	15,208	7,366	39,567	21,020	(26,669)	56,492
Segment Liabilities	32,823	6,086	12,241	51,383	(79,962)	22,571

A9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current financial quarter and period.

A10. Events after the End of the Quarter

On 1 July 2021, the Company announced the fixed issue price of 175,457,781 shares option were offered to eligible employee at an exercise price of RM0.07 each and 41,838,081 were exercised on 5 July 2021.

On 30 July 2021, the Group decided to strike off the People's Republic of China ("PRC") segment including M3 Technologies (Xiamen) Co Ltd and M3 Interactive (Shenzhen) Co. Ltd with compensation sum of RMB1.0 million approximate RM0.71 million to be paid to the staff in accordance to the labour law in PRC. The first and second tranches were paid on 5 August 2021 and 1 September 2021 amounted to RMB0.61 million (RM0.39 million) and RMB0.25 million (RM0.16 million). The final payment of RMB0.25 million (RM0.15 million) to be paid on 1 October 2021.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

A12. Contingent Assets or Changes on Contingent Liabilities

There were no contingent assets or contingent liabilities as at 30 June 2021.

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A13. Significant Related Party Transaction

	Current Quarter Ended 30.06.2021 RM'000	Cumulative Period Ended 30.06.2021 RM'000
Sales to related parties	13	13
Purchase from a related party	56	56

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current financial quarter and period.

A14. Fair Value Measurement

The financial assets maturing within the next 12 months reasonably approximate their fair values due to the relatively short-term maturity of the financial instruments.

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	As at 30.06.2021 RM'000 (unaudited)	As at 31.03.2021 RM'000 (audited)
Group		
<u>Level 2</u>		
Term loan	130	147
Hire purchase payables	253	264
	383	411

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 1 and Level 3 as at 30 June 2021.

A15. Capital Commitments

Capital commitments at 30 June 2021 as follows:-

	As at 30.06.2021 RM'000
Approved and contracted for:	
Purchase of computers and data centre	1,536

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF
 BURSA SECURITIES FOR THE ACE MARKET**

B1. Review of Performance

Statement of Profit & Loss and Other Comprehensive Income

Group Results	Quarter Ended		Changes (%)
	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)	
Mobile Solutions and Trading			
Revenue	14,968	N/A	N/A
Profit before tax	286	N/A	N/A
Cloud Service Solutions			
Revenue	233	N/A	N/A
Profit before tax	(334)	N/A	N/A
Elimination			
Revenue	(76)	N/A	N/A
Profit before tax	-	N/A	N/A
Total			
Revenue	15,115	N/A	N/A
Gross profit	3,746	N/A	N/A
Loss before tax	(48)	N/A	N/A
Loss after tax	(763)	N/A	N/A

The Group registered revenue of RM15.12 million for the three (3) months ended 30 June 2021 mainly contributed by mobile solution and trading segment amounted to RM14.97 million resulting from the increased demand from banking customer in Pakistan and United Arab Emirates.

The Group recorded loss before tax of RM0.05 million for the three (3) months ended 30 June 2021 mainly attributable by cloud services segment loss before tax of RM0.33 million offset with mobile solution and trading segment profit before tax of RM0.29 million. The cloud service segment recorded a loss before tax with the delayed in realisation of project's revenue as a result of the government's implementation of full movement control order in 1 June 2021.

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B2. Material Changes in Financial Performance for the Quarter Compared with Immediate Preceding Quarter

Group Results	Quarter Ended		Changes	
	30.06.2021 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)	RM'000	(%)
Mobile Solutions and Trading				
Revenue	14,968	11,791	3,177	27
Profit before tax	286	(36,741)	37,027	>100
Cloud Service Solutions				
Revenue	233	(1,738)	1,961	>100
Profit before tax	(334)	(121)	(213)	->100
Elimination				
Revenue	(76)	2911	(2,987)	>100
Profit before tax	-	36,070	(36,070)	-100
Total				
Revenue	15,115	12,964	2,151	17
Gross profit	3,746	14,980	(11,324)	75
Loss before tax	(48)	(792)	744	94
Loss after tax	(763)	(1,380)	617	45

The Group recorded a higher revenue by RM2.15 million to RM15.12 million in current financial quarter ended as compared to immediate preceding quarter of RM12.96 million. The higher revenue contributed from the mobile solution and trading segment as explained in B1.

The Group recorded a lower loss before tax of RM0.05 million in current financial quarter as compared to immediate preceding quarter of RM0.79 million. The higher loss in the preceding financial quarter are attributable to the provision of impairment loss on receivables and inventories written down.

B3. Commentary on Prospects

With the outbreak of the coronavirus (“COVID-19”) across the world, the movement of individuals are restricted with government implementing various movement control order from time to time to curb the spreading of the virus. The Group’s mobile solution segment had increased demand in SMS traffic from Pakistan and Dubai.

The Group’s key financial driver would remain with the mobile solutions segments for the foreseeable future. The Group continues to work on further penetration into the existing industries namely banking and financial institutions, healthcare, insurance and retail to increase our market share. The demand for SMS services for marketing and notification is expected to increase with businesses such as retail, travel, transportation, hotel, retail stores adopting transactional SMS to update the consumers or users on the order status or shipping updates.

The Group also seen an increase in enquiries from businesses for its i3Display, high-definition touch screen terminal that operates on a customised application and functions as a highly versatile interactive marketing tool. With the ongoing pandemic, businesses are looking for alternative to reduce human contact whilst not affecting the customers engagement. With the introduction of i3Display, it is able to operate 24/7, offering convenience for businesses to continuously engage with their customers, compared to physical stores or sales persons which are limited by operating hours. The Group Continuous innovation on the i3Display transformed the system into a healthcare technology with add-on features and products relevant to the current environment, such as body temperature scanning, Mysejahtera check-in and attendance record analysis.

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B4. Variation on Revenue or Profit Estimate, Forecast, Projection or Internal Targets

Not applicable.

B5. Variance of Actual Profit After Tax and Minority Interest and the Forecast Profit after Tax and Minority Interest

Not applicable.

B6. Shortfall in the Profit Guarantee

Not applicable.

B7. Taxation

	Current Quarter Ended 30.06.2021 RM'000	Cumulative Period Ended 30.06.2021 RM'000
-Malaysia tax	-	-
-Foreign tax	715	715
Tax expense	715	715

Foreign income tax is calculated at the statutory tax rate of 29% of the estimated assessable profit for the current and the statutory tax rate of 30% of the actual profit for previous corresponding periods for subsidiary company in Pakistan.

B8. Status of Corporate Proposals

There was no corporate proposal announced as at the date of this report.

B9. Utilisation of Proceeds Raised from Corporate Proposal

On 7 December 2020 and 18 January 2021, the Company had raised total proceeds of RM7.64 million from the private placement by issuance of 70,000,000 and 58,543,000 new ordinary shares respectively.

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	
Purchase of raw materials and assembly of i3Display terminals, screens and related products	4,000	2,151	1,849	Within 12 months
Software development in relation to i3Display solution and general system maintenance and protection	3,224	2,256	968	Within 12 months
Expenses in relation to the proposals	420	420	-	Immediate
	7,644	4,827	2,817	

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B10. Borrowings and Debts Securities

The Group did not issue any debt securities or long term borrowings during the current financial quarter. The Group's borrowings which are denominated in Ringgit Malaysia as at 30 June 2021 are as follows:

	As at 30.06.2021 RM'000 (unaudited)	As at 31.03.2021 RM'000 (audited)
Secured		
Current		
Term loan	68	72
Hire-purchase payable	68	74
	136	146
Secured		
Non-current		
Term loan	62	75
Hire-purchase payable	185	190
	247	265

B11. Material Litigation

There were no pending litigation as at the date of this report except for:

- (a) In previous years, a subsidiary, M3 Tech Pakistan has purchased copyrights of songs albums from Mr. Asif Heera ("the Defendant"), the owner of Heera Studio. During the financial period, M/S S.M Sadiq ("the Plaintiff") has filed a suit against the Defendant for permanent injunction against the infringement of copyrights and passing off the goods/services by the Defendants as for the goods of the Plaintiff and accordingly has made M3 Tech Pakistan as pro-forma defendant. The honourable court of presiding officer, Intellectual Property Tribunal, Lahore, Pakistan has granted stay to the Plaintiff. However, the Defendant has represented to M3 Tech Pakistan that it has all the legal documents regarding purchase of content from the Plaintiff and are of the view that the suit will be decided in the favour of the Defendant.
- (b) In previous year, the Company has filed a civil claim against a former employee of the Company to recover a sum of RM705,569 pertaining to suspected fraud payments made to certain suppliers of the Company in previous years. The matter has proceeded with trials. Next trial date is fixed on 12 October 2021 and 14 October 2021.
- (c) In previous year, two former employees of the Company ("Respondents") have filed a claim against the Company for unlawful dismissal. The industrial court has subsequently made a decision in favour of the Respondents and awarded the sum of RM85,500 to the Respondents. The Company had filed for a judicial review to challenge the decision of the Industrial Court. Pending disposal of the judicial review, the sum has been made to the Respondents' solicitor as stakeholder sum. The matter has fixed for case management on 16 November 2021.
- (d) On 7 May 2021, the Company has filed an originating summons together with an injunction application against two former Directors ("Defendants") to restrain the Defendants, including their agents or servants from taking further steps in respect of the Defendants' notice pursuant to Section 311 of Companies Act 2016 to requisition for an Extraordinary General Meeting to be convened within 14 days is null and void. On 4 June 2021, the High Court had granted the injunction. The originating summons ("OS") was fixed for hearing on 10 September 2021 and the High Court dismissed the OS on the basis that the prayers in the OS have become academic in view of the Defendants' retraction of the Notice.

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B11. Material Litigation (Cont'd)

- (e) On 18 May 2021, two former Directors (“Plaintiffs”) has filed an originating summons against certain Directors and the Company (“Defendants”) to restrain the Company from undertaking Employees Share Option Scheme and other corporate exercise which will bears the effect of diluting the shareholdings that the Plaintiffs allegedly had.

On 16 June 2021, the Plaintiffs has field an injunction application against the Company to restrain the Company from implementing the Employees Share Option Scheme. The Plaintiff’s injunction application was dismissed by the High Court on 18 June 2021.

The OS is fixed for case management on 8 October 2021.

- (f) On 8 July 2021, a former Director of the Group has served a writ and statement of claim for alleging the Company for defamation via announcement made to Bursa Securities and claims for RM5 millions of damages. The matter has fixed for case management on 18 October 2021.
- (g) On 16 July 2021, the Company and its wholly owned subsidiary, M3 Online Sdn. Bhd. (collectively referred to as “Plaintiffs”) filed a writ and statement of claim against certain former directors and former employees, certain current employees and a private limited liability company (collectively referred to as “Defendants”) for misuse of the Plaintiffs’ software products.

On 19 August 2021, the Plaintiffs granted an approval for an Anton Piller application in Enclosure 4 (“APO”) for, inter alia, Plaintiffs’ solicitors, supervising solicitors and forensic representative to enter the premises of certain Defendants to search, receive, analyse, copy, image and/or take into custody items as listed in Schedule 2 of the APO.

On 1 September 2021, the court has given the following directions:

- i) Defendants to file Affidavit in Reply by 15 September 2021;
- ii) Plaintiffs to file Reply by 29 September 2021;
- iii) Written Submissions by 13 October 2021;
- iv) Submission in Reply by 20 October 2021; and
- v) Hearing has been fixed on 2 December 2021

B12. Dividends

No dividend was declared and paid during the current financial quarter.

B13. Losses per share

- (a) The basic earnings per share is computed by dividing the Group’s net loss attributable to members of the Group with the weighted average number of ordinary shares in issue as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended		Period Ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Losses attributable to ordinary shareholders of the Company (RM’000)	(1,131)	N/A	(1,131)	N/A
Weighted average number of ordinary shares in issue	785,387	N/A	785,387	N/A
Basic & diluted losses per share (sen)	(0.14)	N/A	(0.14)	N/A

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B13. Losses per share (Cont'd)

(b) Diluted

The Group has no dilution in its loss per ordinary shares as the exercise price of the outstanding warrants has exceeded the average market price of ordinary shares during the period, the warrants do not have any dilutive effect on the weighted average number of ordinary shares.

B14. Note to the Statements of Profit or Loss and Other Comprehensive Income

Loss before tax has been determined after (crediting)/charging, amongst others, the followings items :-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.06.2021 RM'000	Quarter Ended 30.06.2020 RM'000	Period Ended 30.06.2021 RM'000	Period Ended 30.06.2020 RM'000
Amortisation of product development expenditure	260	N/A	260	N/A
Depreciation of plant and equipment	370	N/A	370	N/A
Depreciation of right of use assets	170	N/A	170	N/A
Gain on disposal of fixed assets	(5)	N/A	(5)	N/A
(Gain)/loss on foreign exchange translation				
- Realised	44	N/A	44	N/A
- Unrealised	(275)	N/A	(275)	N/A
Interest expense	45	N/A	45	N/A
Interest income	(123)	N/A	(123)	N/A

Save for the above, the other items as required under Chapter 9 Appendix 9B (16) of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B15. Authorisation for Issue

The interim financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the directors.