

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022**

The Board of Directors of XOX Technology Berhad (formerly known as M3 Technologies (Asia) Berhad) is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 March 2022 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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter Ended		Year/Period Ended	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		RM'000	RM'000	RM'000	RM'000
		(unaudited)	(unaudited)	(unaudited)	*
Revenue	A8	20,643	N/A	67,634	N/A
Cost of sales		(16,470)	N/A	(52,472)	N/A
Gross profit		4,173	N/A	15,162	N/A
Other income		697	N/A	1,418	N/A
Administrative expenses		(3,684)	N/A	(16,662)	N/A
Selling and distribution expenses		(12)	N/A	(131)	N/A
Profit/(Loss) from operations		1,174	N/A	(213)	N/A
Finance costs		(23)	N/A	(132)	N/A
Profit/(Loss) before tax	B14	1,151	N/A	(345)	N/A
Tax expenses	B7	(173)	N/A	(1,863)	N/A
Profit/(Loss) for the financial year/period		978	N/A	(2,208)	N/A
Other comprehensive loss:-					
Item that will be subsequently to profit or loss					
Foreign currency translation differences		(1,080)	N/A	(4,992)	N/A
Other comprehensive loss for the financial year/period		(1,080)	N/A	(4,992)	N/A
Total comprehensive profit/(loss) for the financial year/period		(102)	N/A	(7,200)	N/A
Loss for the financial year/period attributable to:					
- Owners of the Company		252	N/A	(5,873)	N/A
- Non-controlling interests		726	N/A	3,665	N/A
		978	N/A	(2,208)	N/A
Total comprehensive loss attributable to:					
- Owners of the Company		(477)	N/A	(9,126)	N/A
- Non-controlling interests		375	N/A	1,926	N/A
		(102)	N/A	(7,200)	N/A
Losses per share attributable to the owner of the company					
Basic/Diluted (sen)	B13	0.03	N/A	(0.68)	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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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 31.03.2022 RM'000 (unaudited)	As At 31.03.2021 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant & equipment		4,335	4,571
Intangible assets		667	1,185
Right-of-use assets		1,131	1,404
Trade and other receivables		80	148
Deferred tax assets		279	108
		<u>6,492</u>	<u>7,416</u>
Current assets			
Inventories		596	797
Trade and other receivables		24,806	25,828
Tax recoverable		4,447	2,922
Deposit with licensed bank, cash and bank balance		20,366	14,610
		<u>50,215</u>	<u>44,157</u>
TOTAL ASSETS		<u>56,707</u>	<u>51,573</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		82,054	72,693
Treasury shares		(566)	(566)
Other reserves		(9,133)	(5,881)
Accumulated losses		(51,239)	(45,366)
		<u>21,116</u>	<u>20,880</u>
Non-controlling interest		9,967	8,752
Total equity		<u>31,083</u>	<u>29,632</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	B10	112	265
Lease liabilities		418	767
Provision for retirement benefit obligation		10	9
Deferred tax liabilities		-	56
		<u>540</u>	<u>1,097</u>
Current liabilities			
Trade and other payables		24,548	19,992
Amount owing to Director		*	*
Bank borrowings	B10	149	146
Lease liabilities		387	706
		<u>25,084</u>	<u>20,844</u>
Total liabilities		<u>25,624</u>	<u>21,941</u>
TOTAL EQUITY AND LIABILITIES		<u>56,707</u>	<u>51,573</u>
Net asset per share attributable to ordinary equity holders of the parent (sen)		<u>3.61</u>	<u>3.84</u>

*Less than RM1,000

XOX TECHNOLOGY BERHAD (Company No. 199901007872 (482772-D))
(Formerly known as M3 TECHNOLOGIES (ASIA) BERHAD)
(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-distributable →				Distributable		Non-controlling interest 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	-	795	-	-	-	795	-	795
Issuance of ordinary shares pursuant to: Employee Share Option Scheme ("ESOS")	9,361	(795)	-	-	-	8,566	-	8,566
Dividend paid	-	-	-	-	-	-	(711)	(711)
	9,361	-	-	-	-	9,361	(711)	8,650
Loss after taxation/total comprehensive loss for the financial year/period	-	-	-	(3,252)	(5,873)	(9,125)	1,926	(7,199)
As at 31 March 2022	82,054	-	(566)	(9,133)	(51,239)	21,116	9,967	31,083
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
	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 31 March 2021 *	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.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
	(unaudited)	*
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(128)	N/A
Adjustment for:-		
Amortisation of intangible assets	995	N/A
Depreciation of property, plant and equipment	1,534	N/A
Depreciation of right-of-use asset	667	N/A
Impairment losses on trade receivables	229	
Interest expense	130	N/A
Interest income	(18)	N/A
Gain on disposal of property, plant and equipment	119	N/A
Write off of property, plant and equipment	152	N/A
Unrealised gain on foreign exchange	-	N/A
Share-based payments	795	N/A
Operating profit before working capital changes	<u>4,475</u>	<u>N/A</u>
Changes in working capital:-		
Inventories	84	N/A
Payables	4,459	N/A
Receivables	824	N/A
Cash generated from operations	<u>9,842</u>	<u>N/A</u>
Tax paid	<u>(3,387)</u>	<u>N/A</u>
Net cash generated from operating activities	<u>6,455</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of:		
- Property, plant and equipment	(2,345)	N/A
- Intangible assets	(548)	N/A
- Right of use assets	(114)	
Interest received	18	N/A
Proceed on disposal of property, plant and equipment	134	N/A
Net cash used in investing activities	<u>(2,855)</u>	<u>N/A</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to ESOS	8,566	N/A
Interest paid	(130)	N/A
Dividend paid by subsidiaries to non-controlling interests	(711)	N/A
Repayment of bank borrowing	(146)	N/A
Repayment of lease liabilities	(639)	N/A
Net cash generated from financing activities	<u>6,940</u>	<u>N/A</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,540	N/A
Effects of changes in foreign exchange rate	(4,784)	N/A
Cash and cash equivalents at the beginning of the period	14,610	N/A
Cash and cash equivalents at the end of the period	<u>20,366</u>	<u>N/A</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Deposit with licensed bank, cash and bank balance	<u>20,366</u>	<u>N/A</u>

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134 INTERIM FINANCIAL REPORTING**

A1. Basis of Preparation

The condensed consolidated financial statements 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 Condensed Report should be read in conjunction with the audited financial statements for the FPE 2021 and the accompanying explanatory notes attached to this Condensed Report.

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>

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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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 30 June 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.

On 1 July 2021, 41,383,0815 shares option were offered to eligible employee at an exercise price of RM0.07 each and were exercised on 5 July 2021.

A7. Dividends Paid

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

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A8. Segmental Information

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

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:-

<u>12 months ended</u> <u>31 March 2022</u>	Malaysia	Thailand	Pakistan	Countries	Eliminations/ Adjustments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	20,065	26	42,299	14,537	(2,975)	73,952
Segment results	(4,470)	(20)	6,879	3,635	(5,965)	59
Interest income/(expense)	(63)	-	(55)	(12)	-	(130)
Profit/(loss) before taxation	<u>(4,533)</u>	<u>(20)</u>	<u>6,824</u>	<u>3,623</u>	<u>(5,965)</u>	<u>(71)</u>
Segment assets	15,563	7,251	37,683	22,913	(30,997)	52,413
Segment liabilities	33,001	5,235	16,029	50,595	(79,299)	25,561

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

There were no material events took place between the current quarter to the seventh day before the date of issuing this report.

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 31 March 2022.

A13. Significant Related Party Transaction

	Current Quarter Ended 31.03.2022 RM'000	Cumulative Year Ended 31.03.2022 RM'000
Sales to related parties	18	58
Purchase from a related party	<u>50</u>	<u>221</u>

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 year.

A14. Fair Value Measurement

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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).

Group	As at 31.03.2022 RM'000 (unaudited)	As at 31.03.2021 RM'000 (audited)
<u>Level 2</u>		
Term loan	146	146
Hire purchase payables	119	265
	<u>265</u>	<u>411</u>

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 31 March 2022.

A15. Capital Commitments

Capital commitments at 31 March 2022 as follows:-

Approved and contracted for:	As at 31.03.2022 RM'000
Purchase of computers and data centre	<u>1,536</u>

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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 Result	Quarter Ended			Cumulative Quarter Ended		
	31.03.2022 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)	Changes (%)	31.03.2022 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)	Changes (%)
Mobile Solutions and Trading						
Revenue	17,482	N/A	N/A	63,648	N/A	N/A
(Loss)/Profit before tax	(4,991)	N/A	N/A	415	N/A	N/A
Cloud Service Solutions						
Revenue	3,164	N/A	N/A	5,985	N/A	N/A
Profit before tax	4,075	N/A	N/A	2,921	N/A	N/A
Elimination						
Revenue	(4)	N/A	N/A	(1,999)	N/A	N/A
Profit/(Loss) before tax	4,976	N/A	N/A	(3,681)	N/A	N/A
Total						
Revenue	20,642	N/A	N/A	67,634	N/A	N/A
Gross profit	4,173	N/A	N/A	15,162	N/A	N/A
Profit/(Loss) before tax	1,149	N/A	N/A	(346)	N/A	N/A
Profit/(Loss) after tax	977	N/A	N/A	(2,208)	N/A	N/A

The Group registered revenue of RM20.59 million in this quarter ended 31 March 2022 mainly contributed by mobile solution and trading segment amounted to RM17.48 million. The increased of revenue was mainly contributed by Pakistan due to banks increase their promotional broadcast and therefore boost the revenue for this quarter. For Cloud Service Solutions segments only contributed RM3.11 million in this quarter due to demand increased in the market.

The Group recorded profit before tax of RM1.1 million for this quarter ended 31 March 2022 mainly attributable by mobile solution and trading segment profit before tax of RM4.99 million and cloud services segment profit before tax of RM4.08 million offset with the group expenses of RM2.01 million.

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

Group Result	Quarter Ended		Changes	
	31.03.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)	RM'000	(%)
Mobile Solutions and Trading				
Revenue	17,482	17,274	208	-1%
(Loss)/Profit before tax	(4,991)	4,231	(9,222)	>100%
Cloud Service Solutions				
Revenue	3,164	1,290	1,874	-145%
Profit before tax	4,075	1,071	3,004	>100%
Elimination				
Revenue	(4)	(1,778)	1,774	>100%
Profit/(Loss) before tax	4,976	(5,747)	10,723	187%
Total				
Revenue	20,642	16,786	3,856	-23%
Gross profit	4,173	4,354	(181)	4%
Profit/(Loss) before tax	1,149	(445)	1,594	358%
Profit after tax	977	1,925	(948)	>100%

The Group recorded an increase in revenue by RM3.8 million to RM20.6 million in current financial quarter ended as compared to immediate preceding quarter of RM16.8 million. The increase in revenue from the mobile solution and trading segment and cloud service solutions segment as explained in B1.

The Group recorded a profit before tax of RM1.1 million in current financial quarter as compared to immediate preceding quarter at loss of RM0.4 million.

B3. Commentary on Prospects

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. We are continuing developed new products as well as service enhancement and upgrades to cater more specific customer needs.

As Malaysia's government had announced on the economy recovery phase plan, 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 can operate 24/7, offering convenience for businesses to continuously engage with their customers, compared to physical stores or salespersons 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 attendance record analysis.

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B3. Commentary on Prospects (Cont'd)

Other than that, the Group also will develop a new platform which allows the R&D Department to build a new feature, which are Queue Management System (QMS), Pantry System, Advertisement System, Ticketing System and etc.

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 31.03.2022 RM'000	Cumulative Year Ended 31.03.2022 RM'000
-Malaysia tax	-	-
-Foreign tax	173	1,863
Tax expense	<u>173</u>	<u>1,863</u>

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 RM'000	Actual Utilisation RM'000	Balance RM'000	Intended Timeframe for Utilisation
Purchase of raw materials and assembly of i3Display terminals, screens and related products	4,000	3,842	158	Within 12 months
Software development in relation to i3Display solution and general system maintenance and protection	3,224	2,801	423	Within 12 months
Expenses in relation to the proposals	420	420	-	Immediate
	<u>7,644</u>	<u>7,063</u>	<u>581</u>	

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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 31 March 2022 are as follows:

	As at 31.03.2022	As at 31.03.2021
	RM'000 (unaudited)	RM'000 (audited)
Secured		
Current		
Term loan	72	72
Hire-purchase payable	77	74
	<u>149</u>	<u>146</u>
Secured		
Non-current		
Term loan	-	75
Hire-purchase payable	112	190
	<u>112</u>	<u>265</u>

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 is now ongoing with part heard. The Company has closed its case and the Defendant has started her case. Next trial date is fixed on 1 June 2022.
- (c) The 1st Respondent has filed a claim against the Company for unlawful dismissal. On 19 November 2020, the Industrial Court decided in favour of the 1st Respondent and awarded the sum of RM85,500.00 to the 1st Respondent. The Company then filed judicial review application to challenge the decision of the Industrial Court. The sum of RM85,500.00 has been paid by the Company to the 1st Respondent's Solicitors as stakeholders and the said sum has been deposited into an interest-bearing account pending the disposal of the judicial review application. Leave to commence judicial review has been obtained on 27 April 2021 ("Encl. 10"). On 21st May 2021, the 1st Respondent filed an application to set aside the leave for judicial review ("Encl. 12"). On 5 August 2021, the 1st Respondent filed another application to set aside the leave for judicial review ("Encl. 23"). Both Encl. 12 and Encl. 23 were dismissed with costs of RM2,500.00 each. On 28 April 2022, the Court proceeded with the substantive hearing of Encl. 10. Encl. 10 is now fixed for decision on 16 June 2022.

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B11. Material Litigation (Cont'd)

(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.

(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 6 May 2022, the originating summons was dismissed by the Court with costs of RM35,000.

(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.

On 18 October 2021, the court has given direction for this suit to be transferred to sessions court. The suit is currently on going and parties will be attending Mediation on 27 June 2022.

(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.

Defendants had filed applications to set aside the APO but was subsequently dismissed by the Honourable Court on 20.1.2022. APO (inter-partes) was sustained on the same day. Defendants appealed against both decisions.

Plaintiffs’ application dated 15.9.2021 for further direction/consequential order on protocol to deal with seized evidence from the APO had been allowed by the Honourable Court on 4 April 2022. Defendants appealed against the decision. The suit is currently on going with multiple interlocutory applications and trial dates are in July 2023.

(h) On 4 February 2022, one former Director (“Plaintiff”) initiated a civil suit against the Company (“Defendants”) for unpaid payment of salary amounting to RM330,635.00. The Defendant reached a settlement with Plaintiff and a consent order was entered for the full payment of RM330,635.00 to be paid to Plaintiff in three (3) instalments.

B12. Dividends

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

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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:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profits/(Losses) attributable to ordinary shareholders of the Company (RM'000)	252	N/A	(5,874)	N/A
Weighted average number of ordinary shares in issue	893,626	N/A	869,745	N/A
Basic & diluted profits/(losses) per share (sen)	0.03	N/A	(0.68)	N/A

- (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 :-

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.03.2022 Unaudited RM'000	31.03.2021 Unaudited RM'000	31.03.2022 Unaudited RM'000	31.03.2021 Unaudited RM'000
Amortisation of product development expenditure	239	N/A	995	N/A
Depreciation of right of use assets	441	N/A	945	N/A
Depreciation of plant and equipment	(210)	N/A	988	N/A
(Gain)/loss on disposal of plant and equipment	176	N/A	226	N/A
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(203)	N/A	(1)	N/A
- Unrealised	(134)	N/A	(893)	N/A
<u>Interest expense/(income)</u>				
- Interest expense	23	N/A	132	N/A
- Interest income	(2)	N/A	(18)	N/A
Property, plant and equipment written off	63	N/A	63	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.