

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 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 30 June 2022 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2022 (“**FYE 2022**”) 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 Ended	
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		RM'000	RM'000	RM'000	RM'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	<b>A8</b>	16,380	15,115	16,380	15,115
Cost of sales		<u>(11,808)</u>	<u>(11,369)</u>	<u>(11,808)</u>	<u>(11,369)</u>
<b>Gross profit</b>		4,572	3,746	4,572	3,746
Other income		421	258	421	258
Administrative expenses		(3,031)	(3,945)	(3,031)	(3,945)
Selling and distribution expenses		<u>(3)</u>	<u>(71)</u>	<u>(3)</u>	<u>(71)</u>
<b>Profit/(Loss) from operations</b>		1,959	(12)	1,959	(12)
Finance costs		<u>(29)</u>	<u>(36)</u>	<u>(29)</u>	<u>(36)</u>
<b>Profit/(Loss) before tax</b>	<b>B14</b>	<b>1,930</b>	<b>(48)</b>	<b>1,930</b>	<b>(48)</b>
Tax expenses	<b>B7</b>	<u>(507)</u>	<u>(715)</u>	<u>(507)</u>	<u>(715)</u>
<b>Profit/(Loss) for the financial year</b>		<b><u>1,423</u></b>	<b><u>(763)</u></b>	<b><u>1,423</u></b>	<b><u>(763)</u></b>
<b>Other comprehensive loss:-</b>					
<b>Item that will be subsequently to profit or loss</b>					
Foreign currency translation differences		<u>(1,826)</u>	<u>(990)</u>	<u>(1,826)</u>	<u>(990)</u>
Other comprehensive loss for the financial year		<u>(1,826)</u>	<u>(990)</u>	<u>(1,826)</u>	<u>(990)</u>
<b>Total comprehensive profit/(loss) for the financial year</b>		<b><u>(403)</u></b>	<b><u>(1,753)</u></b>	<b><u>(403)</u></b>	<b><u>(1,753)</u></b>
<b>Profit/(Loss) for the financial year attributable to:</b>					
- Owners of the Company		288	(1,131)	288	(1,131)
- Non-controlling interests		<u>1,135</u>	<u>368</u>	<u>1,135</u>	<u>368</u>
		<b><u>1,423</u></b>	<b><u>(763)</u></b>	<b><u>1,423</u></b>	<b><u>(763)</u></b>
<b>Total comprehensive profit/(loss) attributable to:</b>					
- Owners of the Company		(1,350)	(1,823)	(1,350)	(1,823)
- Non-controlling interests		<u>947</u>	<u>70</u>	<u>947</u>	<u>70</u>
		<b><u>(403)</u></b>	<b><u>(1,753)</u></b>	<b><u>(403)</u></b>	<b><u>(1,753)</u></b>
<b>Profits/(Losses) per share attributable to the owner of the company</b>					
Basic/Diluted (sen)	<b>B13</b>	<u>0.03</u>	<u>(0.14)</u>	<u>0.03</u>	<u>(0.14)</u>

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2022**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As At 30.06.2022 RM'000 (unaudited)	As At 31.03.2022 RM'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment		4,258	4,305
Intangible assets		523	667
Right-of-use assets		846	1,018
Trade and other receivables		62	74
Deferred tax assets		100	106
		<u>5,789</u>	<u>6,170</u>
<b>Current assets</b>			
Inventories		594	596
Trade and other receivables		30,131	26,213
Tax recoverable		4,735	4,329
Deposit with licensed bank, cash and bank balance		15,391	20,366
		<u>50,851</u>	<u>51,504</u>
<b>TOTAL ASSETS</b>		<b><u>56,640</u></b>	<b><u>57,674</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		82,054	82,054
Treasury shares		(566)	(566)
Other reserves		(10,197)	(9,127)
Accumulated losses		(50,748)	(51,036)
		<u>20,543</u>	<u>21,325</u>
Non-controlling interest		9,964	9,584
<b>Total equity</b>		<u>30,507</u>	<u>30,909</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank borrowings	<b>B10</b>	48	-
Lease liabilities		232	441
Provision for retirement benefit obligation		12	11
Deferred tax liabilities		-	-
		<u>292</u>	<u>452</u>
<b>Current liabilities</b>			
Trade and other payables		25,360	25,810
Amount owing to Director		*	*
Bank borrowings	<b>B10</b>	98	71
Lease liabilities		383	432
		<u>25,841</u>	<u>26,313</u>
<b>Total liabilities</b>		<b><u>26,133</u></b>	<b><u>26,765</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>56,640</u></b>	<b><u>57,674</u></b>
<b>Net asset per share attributable to ordinary equity holders of the parent (sen)</b>		<u>3.41</u>	<u>3.46</u>

\*Less than RM1,000

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Non-distributable			Share Option Reserve RM'000	Distributable		Non-controlling interest RM'000	Total RM'000
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000		Accumulated losses RM'000	Total RM'000		
<b>As at 1 April 2022</b>	82,054	(566)	(9,128)	-	(51,036)	21,324	9,585	30,909
Transaction with owners:								
Net (loss)/profit for the financial year	-	-	-	-	288	288	1,135	1,423
Other comprehensive loss for the financial year	-	-	(1,069)	-	-	(1,069)	(756)	(1,825)
Total comprehensive loss for the financial year	-	-	(1,069)	-	288	(781)	379	(402)
<b>As at 30 June 2022</b>	<b>82,054</b>	<b>(566)</b>	<b>(10,197)</b>	<b>-</b>	<b>(50,748)</b>	<b>20,543</b>	<b>9,964</b>	<b>30,507</b>
<b>As at 1 April 2021</b>	72,693	(566)	(5,881)	-	(45,366)	20,880	8,752	29,632
Net (loss)/profit for the financial year	-	-	-	-	(5,670)	(5,670)	3,257	(2,413)
Other comprehensive loss for the financial year	-	-	(3,247)	-	-	(3,247)	(1,785)	(5,032)
Total comprehensive loss for the financial year	-	-	(3,247)	-	(5,670)	(8,917)	1,472	(7,445)
Transaction with owners:								
Issuance of ordinary shares pursuant to:								
- Share option granted under ESOS	-	-	-	795	-	795	-	795
- Exercise of ESOS	9,361	-	-	(795)	-	8,566	-	8,566
Dividend on non-controlling interests	-	-	-	-	-	-	(639)	(639)
Total transactions with owners	9,361	-	-	-	-	9,361	(639)	8,722
<b>As at 31 March 2022</b>	<b>82,054</b>	<b>(566)</b>	<b>(9,128)</b>	<b>-</b>	<b>(51,036)</b>	<b>21,324</b>	<b>9,585</b>	<b>30,909</b>

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Year Ended	
	30.06.2022 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	1,930	(262)
Adjustment for:-		
Amortisation of intangible assets	228	995
Amortisation of right-of-use asset	163	728
Depreciation of property, plant and equipment	361	1,457
Dividend income	-	273
Gain on disposal of property, plant and equipment	-	(209)
Interest expense	31	123
Interest income	(1)	(543)
Impairment losses on trade receivables	342	384
Inventories written down	-	97
Inventories written off	-	275
Reversal of impairment losses on trade receivables	-	(1)
Provision for retirement benefit obligation	-	2
Share-based payments	-	795
Intangible asset written off	-	96
Property, plant and equipment written off	9	654
Unrealised gain on foreign exchange	-	(369)
Operating profit before working capital changes	<u>3,063</u>	<u>4,495</u>
Changes in working capital:-		
Inventories	2	(171)
Payables	(448)	5,895
Receivables	(4,246)	(845)
Cash (used in)/generated from operations	<u>(1,629)</u>	<u>9,374</u>
Interest received	-	543
Tax paid	(913)	(4,244)
<b>Net cash (used in)/generated from operating activities</b>	<u>(2,542)</u>	<u>5,673</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of:		
- Property, plant and equipment	(410)	(2,288)
- Intangible assets	(103)	(512)
Interest received	1	-
Proceed on disposal of property, plant and equipment	-	374
<b>Net cash used in investing activities</b>	<u>(512)</u>	<u>(2,426)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares pursuant to ESOS	-	8,566
Interest paid	(31)	(123)
Dividend paid by subsidiaries to non-controlling interests	(568)	(639)
Repayment of bank borrowing	74	(76)
Repayment of lease liabilities	(259)	(757)
<b>Net cash (used in)/generated from financing activities</b>	<u>(784)</u>	<u>6,971</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(3,838)	10,218
Effects of changes in foreign exchange rate	(1,137)	(4,462)
Cash and cash equivalents at the beginning of the year	<u>20,366</u>	<u>14,610</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>15,391</u>	<u>20,366</u>
Cash and cash equivalents at the end of the financial year comprise the following:		
Deposit with licensed bank, cash and bank balance	<u>15,391</u>	<u>20,366</u>

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**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2022**

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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**

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**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 rule 9.22 and Appendix 9B of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The Condensed Report should be read in conjunction with the audited financial statements for the FYE 2022 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 FYE 2022.

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 FYE 2022 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 2022.

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

Amendment to MFRS 1	<i>First time Adoption of Malaysian Financial Reporting Standards -Annual Improvements to MFRS Standards 2018-2020</i>
Amendment to MFRS 3	<i>Business Combinations- Reference to the Conceptual Framework</i>
Amendment to MFRS 9	<i>Financial Instruments - Annual Improvements to MFRS Standards 2018-2020</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 141	<i>Agriculture (Annual Improvements to MFRs 2018 – 2020 Cycle)</i>

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

**MFRSs Interpretations and amendments 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>
Amendment to MFRS 112	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to MFRS 10 and MFRS 128	<i>Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

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.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**A2. Auditors' Report on the Preceding Annual Financial Statements**

There were no audit qualifications in relation to the audited consolidated financial statements of the Group for the FYE 2022.

**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**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current financial quarter and year.

**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.

**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.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**A8. Segmental Information (Cont'd)**

**Geographical segments (Cont'd)**

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

<b><u>3 months ended</u></b>	<b>Malaysia</b>	<b>Pakistan</b>	<b>Dubai</b>	<b>Other Countries</b>	<b>Eliminations/ Adjustments</b>	<b>Group</b>
<b><u>30 June 2022</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	3,266	12,295	1,102	1,408	(1,270)	16,801
Segment results	17	1,706	48	155	33	1,959
Interest income/(expense)	(13)	(12)	(4)	-	-	(29)
Profit/(loss) before taxation	4	1,694	44	155	33	1,930
Segment assets	13,203	37,173	6,216	19,539	(19,493)	56,638
Segment liabilities	33,146	16,300	3,491	51,812	(78,616)	26,133

<b><u>3 months ended</u></b>	<b>Malaysia</b>	<b>Pakistan</b>	<b>Dubai</b>	<b>Other Countries</b>	<b>Eliminations/ Adjustments</b>	<b>Group</b>
<b><u>30 June 2021</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	3,752	9,249	976	1,214	(76)	15,115
Segment results	(1,372)	1,575	35	(250)	-	(12)
Interest income/(expenses)	(14)	(16)	(3)	(3)	-	(36)
Profit/(loss) before taxation	(1,386)	1,559	32	(253)	-	(48)
Segments assets	15,209	35,165	3,985	24,190	(26,669)	51,880
Segment liabilities	32,824	11,373	1,663	55,863	(79,962)	21,761

**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 30 June 2022.

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**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**A13. Significant Related Party Transaction**

	<b>Current Quarter Ended 30.06.2022 RM'000</b>	<b>Cumulative Year Ended 30.06.2022 RM'000</b>
Sales to related parties	82	82
Purchase from a related party	46	46

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**

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).

<b>Group</b>	<b>As at 30.06.2022 RM'000 (unaudited)</b>	<b>As at 31.03.2022 RM'000 (audited)</b>
<u>Level 2</u>		
Term loan	30	71
Lease liabilities	730	874
	<u>760</u>	<u>945</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 30 June 2022.



**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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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		
	30.06.2022 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	Changes (%)	30.06.2022 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	Changes (%)
<b>Mobile Solutions and Trading</b>						
Revenue	16,213	14,968	8%	16,213	14,968	8%
Profit before tax	2,792	286	>100%	2,792	286	>100%
<b>Cloud Service Solutions</b>						
Revenue	169	233	-27%	169	233	-27%
Profit before tax	(894)	(334)	>100%	(894)	(334)	>100%
<b>Elimination</b>						
Revenue	(2)	(76)	-97%	(2)	(76)	-97%
Profit/(Loss) before tax	33	-	>100%	33	-	>100%
<b>Total</b>						
Revenue	16,380	15,115	8%	16,380	15,115	8%
Gross profit	4,573	3,746	22%	4,573	3,746	22%
Profit/(Loss) before tax	1,930	(48)	>100%	1,930	(48)	>100%
Profit/(Loss) after tax	1,423	(763)	>100%	1,423	(763)	>100%

The Group registered revenue of RM16.38 million in this quarter ended 30 June 2022 mainly contributed by mobile solution and trading segment amounted to RM16.21 million. The increased of revenue was mainly contributed by Pakistan due to banks increase their promotional broadcast and therefore boost the transaction traffics and revenue for this quarter. For Cloud Service Solutions segments only contributed RM0.17 million in this quarter due to demand still yet to pick up in the market.

The Group recorded profit before tax of RM1.93 million for this quarter ended 30 June 2022 mainly attributable by mobile solution and trading segment profit before tax of RM2.79 million and cloud services segment loss before tax of RM0.89 million.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**B2. Material Changes in Financial Performance for the Quarter Compared with Immediate Preceding Quarter**

Group Result	Quarter Ended		Changes	
	30.06.2022 RM'000 (unaudited)	31.03.2022 RM'000 (unaudited)	RM'000	(%)
<b>Mobile Solutions and Trading</b>				
Revenue	16,213	17,482	(1,269)	7%
Profit/(Loss) before tax	2,792	(4,991)	7,783	>100%
<b>Cloud Service Solutions</b>				
Revenue	169	3,164	(2,995)	95%
Profit before tax	(894)	4,075	(4,969)	122%
<b>Elimination</b>				
Revenue	(2)	(4)	2	50%
Profit/(Loss) before tax	33	4,976	(4,943)	99%
<b>Total</b>				
Revenue	16,380	20,642	(4,262)	21%
Gross profit	4,573	4,173	400	10%
Profit before tax	1,930	1,149	781	68%
Profit after tax	1,423	977	446	68%

The Group recorded a decrease in revenue by RM4.3 million to RM16.4 million in current financial quarter ended compared to immediate preceding quarter of RM20.6 million.

The Group recorded a profit before tax of RM1.93 million in current financial quarter compared to immediate preceding quarter at profit of RM1.15 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.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**B3. Commentary on Prospects (Cont'd)**

Other than that, the Group had developed Queue Management System (QMS) in this quarter and R&D Department also will develop new platforms, which are Pantry System, Advertisement System, Ticketing System etc. by end of this year.

**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**

	<b>Current Quarter Ended 30.06.2022 RM'000</b>	<b>Cumulative Period Ended 30.06.2022 RM'000</b>
-Malaysia tax	-	-
-Foreign tax	507	507
Tax expense	<u>507</u>	<u>507</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.

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>	<b>Intended Timeframe for Utilisation</b>
Purchase of raw materials and assembly of i3Display terminals, screens and related products	4,000	3,934	66	Within 12 months
Software development in relation to i3Display solution and general system maintenance and protection	3,224	2,964	260	Within 12 months
Expenses in relation to the proposals	420	420	-	Immediate
	<u>7,644</u>	<u>7,063</u>	<u>326</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 30 June 2022 are as follows:

	<b>As at 30.06.2022</b>	<b>As at 31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Secured</b>		
<b>Current</b>		
Term loan	30	71
Lease liabilities	432	432
	<u>462</u>	<u>503</u>
<b>Secured</b>		
<b>Non-current</b>		
Term loan	-	-
Lease liabilities	298	441
	<u>298</u>	<u>441</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 years, 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. On 21 July 2022, both the Company and the Defendant has closed its case. The parties are required to prepare the notes of proceedings and file a written submission by 29 September 2022. The matter is fixed for a decision on 27 October 2022.
- (c) On 7 May 2021, the Company has filed an originating summons together with an injunction application against Lim Seng Boon and Voon Sze Lin ("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.
- (d) 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 trial dates are in August 2022.

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**B11. Material Litigation (Cont'd)**

- (e) 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 20 January 2022, the Defendants had filed applications to set aside the APO but was subsequently dismissed by the Honourable Court. APO (inter-partes) was sustained on the same day. The Defendants appealed against both decisions.

On 4 April 2022, the Plaintiffs’ application dated 15 September 2021 for further direction/consequential order on protocol to deal with seized evidence from the APO had been allowed by the Honourable Court. The Defendants appealed against the decision. The suit is currently on going with multiple interlocutory applications and trial dates are in July 2023.

**B12. Dividends**

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

**B13. Profits/(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 3 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Profits/(Losses) attributable to ordinary shareholders of the Company (RM’000)	252	(1,131)	252	(1,131)
Weighted average number of ordinary shares in issue	893,626	785,387	893,626	785,387
Basic & diluted profits/(losses) per share (sen)	0.05	(0.14)	0.05	(0.14)

- (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.

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

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

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation of product development expenditure	228	260	228	260
Depreciation of right of use assets	115	370	115	370
Depreciation of plant and equipment	361	170	361	170
(Gain)/loss on disposal of plant and equipment	-	(5)	-	(5)
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(5)	44	(5)	44
- Unrealised	(1,215)	(275)	(1,215)	(275)
<u>Interest expense/(income)</u>				
- Interest expense	31	45	31	45
- Interest income	(1)	(123)	(1)	(123)

Save for the above, the other items as required under Chapter 9 Appendix 9B (16) of the AMLR of Bursa Securities 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.