

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

The Board of Directors of XOX Technology Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 June 2024 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2023 (“FYE 2023”) and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIFTEEN (15) MONTHS ENDED 30 JUNE 2024

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter Ended		Period Ended	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		RM'000	RM'000	RM'000	RM'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	A8	51,514	33,262	218,918	120,869
Cost of sales		(38,890)	(25,040)	(167,303)	(88,597)
Gross profit		<u>12,624</u>	<u>8,222</u>	<u>51,615</u>	<u>32,272</u>
Other income		1,026	158	3,325	1,090
Administrative and other expenses		(6,072)	(1,822)	(17,022)	(20,222)
Selling and distribution expenses		(13)	(11)	(122)	(98)
Profit from operations		<u>7,565</u>	<u>6,547</u>	<u>37,796</u>	<u>13,042</u>
Finance costs		(17)	(14)	(77)	(90)
Profit before tax	B14	<u>7,548</u>	<u>6,533</u>	<u>37,719</u>	<u>12,952</u>
Tax expenses	B7	(3,817)	(3,099)	(17,396)	(6,902)
Profit for the financial period		<u><u>3,731</u></u>	<u><u>3,434</u></u>	<u><u>20,323</u></u>	<u><u>6,050</u></u>
Other comprehensive profit/(loss):-					
Item that will be subsequently to profit or loss					
Foreign currency translation differences		<u>1,883</u>	<u>(1,926)</u>	<u>2,448</u>	<u>(11,185)</u>
Other comprehensive loss for the financial period		<u>1,883</u>	<u>(1,926)</u>	<u>2,448</u>	<u>(11,185)</u>
Total comprehensive profit/(loss) for the financial period		<u><u>5,614</u></u>	<u><u>1,508</u></u>	<u><u>22,771</u></u>	<u><u>(5,134)</u></u>
Profit for the financial period attributable to:					
- Owners of the Company		(35)	1,986	8,564	1,898
- Non-controlling interests		<u>3,766</u>	<u>1,448</u>	<u>11,759</u>	<u>4,153</u>
		<u><u>3,731</u></u>	<u><u>3,434</u></u>	<u><u>20,323</u></u>	<u><u>6,051</u></u>
Total comprehensive profit/(loss) attributable to:					
- Owners of the Company		1,866	(376)	9,911	(6,572)
- Non-controlling interests		<u>3,747</u>	<u>1,884</u>	<u>12,859</u>	<u>1,438</u>
		<u><u>5,613</u></u>	<u><u>1,508</u></u>	<u><u>22,770</u></u>	<u><u>(5,134)</u></u>
Profit per share attributable to the owner of the company					
Basic/Diluted (sen)	B13	<u>-</u>	<u>0.22</u>	<u>0.96</u>	<u>0.21</u>

* There are no comparative figures disclosed for the preceding cumulative period-to-date results following the change in the financial year end from 31 March to 30 June.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	As At 30.06.2024 RM'000 (unaudited)	As At 31.03.2023 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant & equipment		3,139	2,156
Intangible assets		125	156
Right-of-use assets		1,015	398
Deferred tax assets		572	241
		<u>4,851</u>	<u>2,951</u>
Current assets			
Inventories		12	-
Trade and other receivables		67,571	35,122
Tax recoverable		14,018	6,403
Deposit with licensed bank, cash and bank balance		21,830	7,013
		<u>103,431</u>	<u>48,538</u>
TOTAL ASSETS		<u>108,282</u>	<u>51,489</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		17,054	17,054
Treasury shares		(566)	(566)
Other reserves		(15,439)	(15,235)
Accumulated profits		23,991	13,877
		<u>25,040</u>	<u>15,130</u>
Non-controlling interest		21,204	8,345
Total equity		<u>46,244</u>	<u>23,475</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	B9	572	197
Provision for retirement benefit obligation		4	14
		<u>576</u>	<u>211</u>
Current liabilities			
Trade and other payables		60,897	27,676
Amount owing to Director		257	*
Lease liabilities	B9	308	127
		<u>61,462</u>	<u>27,803</u>
Total liabilities		<u>62,038</u>	<u>28,014</u>
TOTAL EQUITY AND LIABILITIES		<u>108,282</u>	<u>51,489</u>
Net asset per share attributable to ordinary equity holders of the parent (sen)		<u>5.17</u>	<u>2.63</u>

*Less than RM1,000

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIFTEEN (15) MONTHS ENDED 30 JUNE 2024

	← Attributable to owners of the Company →				Total RM'000	Non-controlling interest RM'000	Total RM'000
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated profits RM'000			
As at 1 April 2023	17,054	(566)	(15,235)	13,877	15,130	8,344	23,474
Net profit for the financial period	-	-	-	8,564	8,564	11,759	20,323
Other comprehensive profit for the financial period	-	-	(204)	1,550	1,346	1,101	2,447
Total comprehensive (loss)/profit for the financial period	-	-	(204)	10,114	9,910	12,860	22,770
As at 30 June 2024	17,054	(566)	(15,439)	23,991	25,040	21,204	46,244
As at 1 April 2022	82,054	(566)	(9,127)	(51,036)	21,325	9,584	30,909
Net (loss)/profit for the financial year	-	-	-	(87)	(87)	2,704	2,617
Other comprehensive loss for the financial year	-	-	(6,108)	-	(6,108)	(3,152)	(9,260)
Total comprehensive loss for the financial year	-	-	(6,108)	(87)	(6,195)	(448)	(6,643)
Transaction with owners:							
- Share capital reduction	(65,000)	-	-	65,000	-	-	-
Dividend on non-controlling interests	-	-	-	-	-	(792)	(792)
Total transactions with owners	(65,000)	-	-	65,000	-	(792)	(792)
As at 31 March 2023	17,054	(566)	(15,235)	13,877	15,130	8,344	23,474

* There are no comparative figures disclosed for the preceding cumulative period-to-date results following the change in the financial year end from 31 March to 30 June.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIFTEEN (15) MONTHS ENDED
30 JUNE 2024**

	Period/Year Ended	
	30.06.2024	31.03.2023
	RM'000	RM'000
	(unaudited)	(audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	39,269	6,420
Adjustment for:-		
Amortisation of intangible assets	63	190
Amortisation of right-of-use asset	341	397
Bad debts written off	41	
Depreciation of property, plant and equipment	854	1,159
Gain on disposal of property, plant and equipment	(36)	(62)
Interest expense	77	76
Interest income	(2,858)	(7)
Impairment losses on trade receivables	1,677	3,519
Impairment losses on other receivables	23	236
Operating profit before working capital changes	<u>39,451</u>	<u>14,376</u>
Changes in working capital:-		
Inventories	(12)	55
Receivables	(34,190)	(12,022)
Payables	33,221	1,982
Amount owing to director	257	-
Cash generated from operations	<u>38,727</u>	<u>4,391</u>
Tax paid	(25,011)	(6,093)
Net cash generated from/(used in) operating activities	<u>13,716</u>	<u>(1,702)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	2,858	7
Acquisition of:		
- Property, plant and equipment	(2,049)	(1,663)
- Intangible assets	(19)	-
- Right of use assets	(667)	-
Proceed on disposal of property, plant and equipment	585	87
Net cash generated from/(used in) investing activities	<u>708</u>	<u>(1,383)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(77)	(76)
Repayment of lease liabilities	554	(525)
Net cash generated from/(used in) financing activities	<u>477</u>	<u>(1,464)</u>

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIFTEEN (15) MONTHS ENDED
30 JUNE 2024 (CONT'D)**

	Period/Year Ended	
	30.06.2024	31.03.2023
	RM'000	RM'000
	(unaudited)	(audited)
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,901	(4,549)
Effects of changes in foreign exchange rate	(84)	(8,804)
Cash and cash equivalents at the beginning of the period/year	7,013	20,366
Cash and cash equivalents at the end of the period/year	<u>21,830</u>	<u>7,013</u>
Cash and cash equivalents at the end of the financial period/year comprise the following:		
Deposit with licensed bank, cash and bank balance	<u>21,830</u>	<u>7,013</u>

* There are no comparative figures disclosed for the preceding cumulative period-to-date results following the change in the financial year end from 31 March to 30 June.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

A. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A1. Basis of preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) and paragraph 9.22 and Appendix 9B of the 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 2023 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 2023.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest Audited Financial Statements except for the adoption of the following new MFRS, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) which are effective for the financial year beginning 1 January 2024:

Amendments to MFRS 16	Leases – Lease Liability in a sale and leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments Disclosure – Supplier Finance Arrangements

The adoption of the above MFRS, amendments/improvements to MFRSs and IC Int did not have any material financial impact to the Group.

The standards and interpretations that are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of exchangeability
------------------------	-------------------------

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
------------------------------------	--

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 2023.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

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 under review and the financial period-to-date.

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 under review and the financial period-to-date.

A5. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year, which may have a material effect in the current financial quarter under review and the financial period-to-date.

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 under review and the financial period-to-date.

A7. Dividends Paid

There were no dividends declared and paid for the current financial quarter under review and the financial period-to-date.

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, Pakistan, Dubai and other countries. In presenting information on the basis of geographical segments. Segmental revenue is presented based on the geographical location of customers.

<u>15 months ended</u>	Malaysia	Pakistan	Dubai	Other	Eliminations/	Group
<u>30 June 2024</u>	RM'000	RM'000	RM'000	Countries	Adjustments	RM'000
				RM'000	RM'000	
External revenue	16,076	202,235	946	50	(389)	218,918
Segment results	(5,256)	44,219	187	50,181	(51,535)	37,796
Interest income/(expense)	(3)	(43)	(31)	-	-	(77)
(Loss)/profit before taxation	(5,259)	44,176	156	50,181	(51,535)	37,719
Segment assets	5,409	87,316	5,059	14,857	(4,358)	108,283
Segment liabilities	10,276	51,075	1,872	611	(1,796)	62,038

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

A8. Segmental Information (Cont'd)

Geographical segments (Cont'd)

The segmental information is presented in respect of the Group's geographical segments as follows:-

<u>15 months ended</u> <u>30 June 2023</u>	Malaysia	Pakistan	Dubai	Other Countries	Eliminations/ Adjustments	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	23,828	92,468	3,743	2,331	(1,501)	120,869
Segment results	11,752	16,753	256	(10,249)	(5,469)	13,043
Interest income/(expenses)	(25)	(54)	(11)	-	-	(90)
Profit before taxation	11,727	16,699	245	(10,249)	(5,469)	12,953
Segments assets	8,097	51,834	5,467	8,419	(6,432)	67,385
Segment liabilities	8,490	33,456	2,438	51,373	(53,353)	42,404

A9. Valuation of Property, Plant and Equipment

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

A10. Events after the End of the Quarter

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

(i) Disposal of Wholly-Owned Subsidiary

The Company has on 1 July 2024 entered into Share Sale Agreement with Gen M Prominent Sdn. Bhd. for the disposal of the entire shares in Aquatic Harvest Sdn. Bhd. ("AH"), the wholly-owned subsidiary of the Company, for a cash consideration of RM200,000 ("**Disposal**"). The issued and paid-up capital of AH is RM1,000. Upon completion of the Disposal, AH will cease to be subsidiary of the Company.

(ii) Proposed Private Placement

On 10th July 2024, TA Securities Holdings Berhad ("**TA Securities**"), on behalf of the Board of Directors of the Company, announced that the Company proposed to undertake a private placement of up to 10% of the total number of issued ordinary shares of XOX Tech to independent third-party investors to be identified later at an issue price to be determined later ("**Proposed Private Placement**").

The Proposal is subject to the following approvals being obtained from:

- the approval of Bursa Securities for the listing and quotation of the Placement Shares on the ACE Market of Bursa Securities; and
- the approvals/consents of any other relevant authorities / parties, if required.

The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by the Company.

Please refer to the announcement dated 10 July 2024 for further details.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

A11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review and the financial period-to-date, other than as disclosed in Noted A10.

A12. Contingent Assets or Changes on Contingent Liabilities

There were no contingent assets or contingent liabilities as at 30 June 2024, other than as disclosed in Note B12.

A13. Related party transactions

The related party transactions between the Group and the related party were as follows:

	Current Quarter Ended 30.06.2024 RM'000	Cumulative Period Ended 30.06.2024 RM'000
Sale to related parties	261	923
Purchase from related parties	14	276
	<u>14</u>	<u>276</u>

A14. Cash and cash equivalents

Total cash and cash equivalents were as follows:

	Period/Year Ended	
	30.06.2024 RM'000 (unaudited)	31.03.2023 RM'000 (audited)
Deposit with licensed bank, cash and bank balance	21,830	7,013
	<u>21,830</u>	<u>7,013</u>

A15. Fair value measurements

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques 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 the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	As at 30.06.2024 RM'000 (unaudited)	As at 31.03.2023 RM'000 (audited)
Group		
Level 2		
Lease liabilities	880	325
	<u>880</u>	<u>325</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 2024.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

**B. 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

	Quarter Ended			Period/Year Ended		
	30.06.2024 RM'000 (unaudited)	30.06.2023 RM'000 (unaudited)	Changes (%)	30.06.2024 RM'000 (unaudited)	31.03.2023 RM'000 (unaudited)	Changes (%)
Group Result						
Mobile Solutions Services						
Revenue	50,345	33,053	52%	216,397	78,208	>100%
Profit before tax	9,275	8,267	12%	40,970	11,284	>100%
Cloud Service Solutions						
Revenue	325	209	56%	1,352	10,740	(87%)
Loss before tax	(327)	(45)	>100%	(3,065)	7,961	>100%
Other Segments						
Revenue	1,095	-	>100%	1,559	10,740	(85%)
Loss before tax	(19)	-	>100%	(33)	7,961	(100%)
Adjustment/Elimination						
Revenue	(250)	-	>100%	(390)	(1,342)	(71%)
Profit before tax	(1,382)	747	>100%	(155)	12,825	>100%
Total						
Revenue	51,515	33,262	55%	218,918	87,607	>100%
Gross profit	12,625	8,222	54%	51,616	24,051	>100%
Profit before tax	7,548	6,533	16%	37,719	6,420	>100%
Profit after tax	3,732	3,434	9%	20,323	2,617	>100%

For Quarter Ended 30 June 2024 (“Q5 2024”) and Financial Period Ended 30 June 2024 (“FPE 2024”)

In Q5 2024 and FPE 2024, the Group registered revenue of RM51.5 million and RM 218.9 million respectively which mainly contributed by mobile solution services segment, followed by other segments and cloud service solutions.

The Group recorded profit before tax of RM7.6 million in Q5 2024 and a total of RM37.8 million for the FPE 2024. The profit was mainly generated by Pakistan.

Mobile Solutions Services

In Q5 2024 and FPE 2024, the total revenue generated from this segment was RM50.3 million and RM216.4 million respectively. The main contributor for this segment was Pakistan which contributed RM49.4 million in Q5 2024 and RM202.2 million in FPE 2024 or approximately 92.4% of total revenue.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

B1. Review of Performance (Cont'd)

Cloud Services Solutions

In Q5 2024 and FPE 2024, the total revenue generated from this segment was RM0.3 million and RM1.4 million respectively. This segment consists of sale and rental of display panels (“i3Display”), keycode license and software development.

Others

In Q5 2024 and FPE 2024, the total revenue generated from this segment, which consists of wholesale and retail sales of seafood, was RM1.1 million and RM1.6 million respectively.

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

Group Result	Quarter Ended		Changes	
	30.06.2024 RM'000 (unaudited)	31.03.2024 RM'000 (unaudited)	RM'000	(%)
Mobile Solutions and Trading				
Revenue	50,345	43,252	7,093	16%
Profit before tax	9,275	8,223	1,052	13%
Cloud Service Solutions				
Revenue	325	358	(33)	(9%)
Profit/(Loss) before tax	(327)	(409)	82	(20%)
Other Segments				
Revenue	1,095	464	631	>100%
(Loss)/Profit before tax	(19)	(14)	(5)	(36%)
Elimination				
Revenue	(250)	(2)	(248)	>100%
Profit/(Loss) before tax	(1,382)	1,554	(2,936)	>100%
Total				
Revenue	51,515	44,072	7,443	17%
Gross profit	12,625	11,225	1,400	12%
Profit/(Loss) before tax	7,548	8,712	(1,164)	(13%)
Profit/(Loss) after tax	3,732	5,567	(1,835)	(33%)

For Quarter Ended 30 June 2024 (“Q5 2024”) and Quarter Ended 31 March 2024 (“Q4 2024”)

The Group’s revenue increased from RM44.1 million to RM51.5 million which mainly contributed by Pakistan and profit before tax (“PBT”) decreased from RM8.7 million to RM7.6 million.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

B2. Material Changes in Financial Performance for the Quarter Compared with Immediate Preceding Quarter (Cont'd)

Mobile Solutions Services

The revenue of mobile solutions services segment increased from RM43.3 million to RM50.3 million or increased by 16%. The PBT increased by 13% from RM8.2 million to RM9.3 million. This is mainly due to Pakistan increased the selling price charged to the customers and the bank interest income received increased.

Cloud Services Solutions

The revenue of cloud services solutions slightly decreased from RM0.4 million to RM0.3 million. The loss before tax ("LBT") decreased by 20% from RM0.4 million to RM0.3 million due to new software development projects provided to clients.

Others

The revenue increased from RM0.5 million to RM1.1 million due to higher revenue generated from this segment.

B3. Commentary on Prospects

The Group's key financial driver remains to be the mobile solutions and trading segment for the foreseeable future. However, the demand for SMS services for marketing and notification is expected to decrease in the banking industries as banking and financial institutions are slowly shifting to e-notifications. Therefore, the Group also shifted the focus from banking and financial institutions to other businesses available in the markets such as retail stores, transportation and hotel etc. which update their customers or users via SMS Services.

Besides, even though the display panel business continues to grow and received an increase in enquiries on rental of the panels which highly being used during the events. However, the Group has encountered difficulties with increased competition from cheaper vendors. Our group received positive feedback from customers on the panels purchased or rented with the Group were value for money.

Further, the Group managed to complete a few software development projects requested by the customers, which helped to expand the Group's revenue segment and diversify the business risks by reducing dependence on existing business segment in the Group.

Besides, Pakistan also developed a new software application for the intermediation business ("E-Hailing") which is a service provided to book public transport services through electronic applications such as E-hailing vehicles and taxis. This is expected to further improve the financial performance of the Pakistan business operations.

However, the software development remains a large drain on manpower and resources to close projects, due to the stringent terms provided by large corporations that we need to adhere to. Nevertheless, we are in the midst of exploring potential profit generating business to improve Company's performance.

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.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

B6. Shortfall in the Profit Guarantee

Not applicable.

B7. Taxation

	Current Quarter Ended 30.06.2024 RM'000	Cumulative Period Ended 30.06.2024 RM'000
- Malaysia tax	-	2
- Foreign tax	3,817	17,394
Tax expense	<u>3,817</u>	<u>17,396</u>

Foreign income tax is calculated at the statutory tax rate of 29% of the estimated assessable profit and additional 10% of Super Tax for the current and the statutory tax rate of 29% of the actual profit for previous corresponding periods for subsidiary company in Pakistan and in previous financial year, the authority also enhanced the tax of "Super Tax on High Earning Persons U/S 4C of Income Tax Ordinance, 2001 and accordingly the tax rate for persons having taxable income of more than Rupees 500 million is revised to 10% from 4% retrospectively for the tax year 2023 and onwards.

B8. Status of Corporate Proposals

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

B9. 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 2024 are as follows:

	As at 30.06.2024 RM'000 (unaudited)	As at 31.03.2023 RM'000 (audited)
Secured Current		
Lease liabilities	308	127
	<u>308</u>	<u>127</u>
Secured Non-Current		
Lease liabilities	572	197
	<u>572</u>	<u>197</u>

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

B10. 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. In prior years, 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) M3 Tech Pakistan has obtained legal advice and based on that advice, M3 Tech Pakistan has stopped accounting for further provision in respect of the Sindh Workers’ Welfare Fund. The management and the legal advisor believe that M3 Tech Pakistan does not fall within the ambit of ‘Industrial Establishment’ as defined in Section 2(g) of the Sindh Workers’ Welfare Fund Act, 2014 as such, M3 Tech Pakistan uses the telecommunication services to render its services but it itself is not a ‘concern engaged in telecommunication’ which actually falls within the ambit of ‘Industrial Establishment’.

Assistant Commission, Sindh Revenue Board (SRB) has passed an order dated 11 January 2019 to M3 Tech Pakistan under Section 2(g) of the Sindh Workers Welfare Fund Act, 2014 (the Act) for the submission of Sindh Workers welfare Fund (SWWF) amounts to Government of Sindh. M3 Tech Pakistan’s tax advisor has submitted his response on 31 January 2019 to the Assistant Commissioner that M3 Tech Pakistan believes that it does not fall under Section 2(g) of the Act. Accordingly, M3 Tech Pakistan has not recorded any expense in this regard as M3 Tech Pakistan and its tax advisor are confident that all outstanding matter will be decided in M3 Tech Pakistan’s favour.

- (c) On 4 September 2019, the Company filed a civil claim in the Shah Alam Sessions Court against a former employee of the Group to recover a sum of RM705,568.69 pertaining to suspected fraud payments made to certain suppliers of the Company in the previous years. On 21 December 2022, the Sessions Court had dismissed the Company’s claim against the Defendant with costs of RM35,000.00.

On 3 January 2023, the Company filed an appeal against the Shah Alam Sessions Court’s decision in the Shah Alam High Court. On 28 July 2023, the appeal is fixed dismissed with costs of RM10,000.00.

- (d) On 18 May 2021, Lim Seng Boon and Voon Sze Lin (“Plaintiffs”) filed an originating summons (“OS”) in the Kuala Lumpur High Court against the Company to restrain the Company from undertaking an Employee Share Option Scheme and other corporate exercises which have the effect of diluting the shareholdings that the Plaintiffs allegedly had.

On 2 June 2022, the Plaintiffs filed an appeal to the Court of Appeal after the High Court dismissed their OS on 6 May 2022. On 12.4.2023, the Court of Appeal dismissed the Appeal with costs of RM15,000.00.

On 11 May 2023, a Notice of Motion for leave to appeal was filed by the Appellants after the Court of Appeal dismissed on 12 April 2023.

On 26 September 2023, the Appellants filed a Notice of Discontinuance to discontinue the application for leave to appeal without any order as to cost and without liberty to file afresh.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

B10. Material Litigation (Cont'd)

- (e) On 16 July 2021, the Company and M3 Online Sdn. Bhd. (collectively referred to as “Plaintiffs”) filed a civil suit in the Kuala Lumpur High Court against certain former directors and former employees, certain current employees and a private limited liability company (collectively referred to as “Defendants”) for, inter alia, misuse of the Plaintiffs’ software products, copyright infringement, breach of confidence, breach of fiduciary duties, conspiracy and unlawful interference with trade (“Main Suit”).

Besides that, the Company filed an application for Anton Piller Order on 11.8.2021, where the High Court granted the same, however, it was set aside by the Court of Appeal on 14.7.2023. Subsequently, the Company filed Leave Application to appeal to the Federal Court, however, it was not allowed (“APO”).

Following the setting aside of APO by the Court of Appeal, the Court of Appeal has directed the assessment of damages by the High Court. The Hearing for assessment of damages was originally fixed on 16.8.2024, however, it was rescheduled to 13.9.2024.

With regard to the Counterclaim by Lim Seng Boon and Voon Sze Lin (Plaintiffs in the Counterclaim) against the Company, the Company filed striking out applications against the same on 27.10.2023. Following thereto, Plaintiffs in the Counterclaim filed amendment applications to amend their Counterclaim on 17.1.2024. On 16.8.2024, the Court allowed the Company’s striking out applications and dismissed the amendment applications filed by Plaintiffs in the Counterclaim.

The company has reached a settlement with the 8th Defendant in the Main Suit, i.e. Zaifah Binti Ngah.

To date, the Main Suit is still ongoing. The trial dates have been fixed on 27.11.2024 to 29.11.2024 and 2.12.2024 to 6.12.2024.

B11. Contingencies

- (a) During the previous financial year, three former employees commenced legal actions against the Company claiming for reinstatement or backdated wages and other monetary awards. The claims are estimated to be RM753,750 and RM860,265.

B12. Dividends

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

B13. Profits 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 15 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profits attributable to ordinary shareholders of the Company (RM'000)	(35)	1,986	8,564	1,899
Weighted average number of ordinary shares in issue	893,626	893,626	893,626	893,626
Basic & diluted profits per share (sen)	-	0.22	0.96	0.21

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2024**

B13. Profits per share (Cont'd)

(b) Diluted

The Group has no dilution in its profits 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

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

	Current quarter		Cumulative quarter	
	3 months ended		15 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment of trade receivables	2,410	-	3,009	441
Allowance for impairment of other receivables	23	-	23	-
Amortisation of intangible assets	29	-	63	861
Bad debts written off of trade receivables	2	-	2	-
Bad debts written off of other receivables	(4)	-	(4)	-
Deposit written off	44	-	44	-
Depreciation of right-of-use assets	92	60	341	448
Depreciation of plant and equipment	260	102	854	1,129
Expected Credit Losses	(2,169)	-	(1,332)	-
Gain on disposal of plant and equipment	(8)	-	(36)	151
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(2)	(15)	(6)	(29)
- Unrealised	1,949	(779)	(58)	(2,116)
<u>Interest expense/(income)</u>				
- Interest expense	17	14	77	90
- Interest income	(892)	(105)	(2,858)	(111)

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.