

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		3 months ended	
		30/09/2020 RM'000 (Unaudited)	30/09/2019 RM'000 (Audited)	30/09/2020 RM'000 (Unaudited)	30/09/2019 RM'000 (Audited)
Revenue	B1, B2	12,445	18,312	12,445	18,312
Less: Cost of sales	B6, B7	(10,951)	(15,986)	(10,951)	(15,986)
Gross Profit		1,494	2,326	1,494	2,326
Other operating income		70	73	70	73
Employee benefits	B7	(826)	(1,029)	(826)	(1,029)
Key management personnels's remuneration	B7	(408)	(406)	(408)	(406)
Depreciation & amortisation		(961)	(1,182)	(961)	(1,182)
Other operating expenses	B7	(602)	(685)	(602)	(685)
Loss from operations		(1,233)	(903)	(1,233)	(903)
Finance costs	B6, B7	(85)	(104)	(85)	(104)
Loss before taxation	B1, B2	(1,318)	(1,007)	(1,318)	(1,007)
Income tax recover /(expenses)	B5	-	-	-	-
Loss for the year/(period)		(1,318)	(1,007)	(1,318)	(1,007)
Other Comprehensive income					
- Currency translation difference not recognised in income statement		-	-	-	-
Total comprehensive loss for the financial year/(period)		(1,318)	(1,007)	(1,318)	(1,007)
Loss Attributable to:					
Owner of the Parent		(1,105)	(1,025)	(1,105)	(1,025)
Non-controlling interest		(213)	18	(213)	18
		(1,318)	(1,007)	(1,318)	(1,007)
Total comprehensive loss attributable to :					
Owner of the Parent		(1,105)	(1,025)	(1,105)	(1,025)
Non-controlling interest		(213)	18	(213)	18
		(1,318)	(1,007)	(1,318)	(1,007)
Loss per share (sen)					
- Basic	B12	(0.14)	(0.17)	(0.14)	(0.17)
- Diluted	B12	(0.14)	(0.17)	(0.14)	(0.17)

Note:

The unaudited Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying note attached to this interim financial report.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As At 30/09/2020 RM'000	Audited As At 30/06/2020 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		839	870
Right of use assets		1,639	1,777
Intangible asset		8,162	8,876
Goodwill on consolidation		2,194	2,194
Lease receivables		5,521	7,292
Total Non-current Assets		18,355	21,009
Current Assets			
Trade receivables		12,198	13,852
Other receivables, deposits and prepayments		1,773	2,075
Lease receivables		5,317	5,113
Inventory		3,086	3,571
Current tax asset		209	309
Fixed deposits with licensed banks		5,375	8,416
Cash and bank balances		2,571	843
Total Current Assets		30,529	34,179
Total Assets		48,884	55,188
Equity and Liabilities			
Share capital		46,737	46,737
Capital Reserve		-	-
Accumulated (losses)		(17,529)	(16,424)
Non controlling interest		(1,156)	(943)
Total Equity		28,052	29,370
Non-current Liabilities			
Lease Liabilities	B9	7,312	8,676
Deferred tax liability		20	20
Deferred Income		-	114
Total Non-current Liabilities		7,332	8,810
Current Liabilities			
Trade payables		1,626	4,113
Other payables & accruals		3,085	2,838
Bank overdraft		3,359	4,595
Lease Liabilities	B9	5,430	5,371
Deferred Income		-	91
Provision for taxation	B5	-	-
Total Current Liabilities		13,500	17,008
Total Liabilities		20,832	25,818
Total Equity and Liabilities		48,884	55,188
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.04	0.04

Note:

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying note attached to this interim financial report.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Note	Period ended 30/09/2020 Unaudited RM'000	Period ended 30/06/2020 Audited RM'000
Cash flows from/(for) operating activities			
Loss before taxation		(1,318)	(10,261)
Adjustment for:-			
Amortisation of intangible assets		755	3,914
Depreciation of property, plant and equipment & right of use assets		206	808
Interest income		(10)	(165)
Finance income lease receivables	B6	(204)	(842)
Lease liabilities interest expense	B6	188	748
Bank Overdraft interest expense		65	339
Impairment loss of Intangible assets		-	2,070
Impairment of trade receivables		-	144
Impairment of other receivables		-	244
Bad debts of other receivables		-	235
Gain on disposal of property, plant and equipment & right of use assets		-	(5)
Gain on recognition of lease receivables		-	(386)
Property, plant and equipment written off		-	(1)
		<hr/>	<hr/>
Operating loss before working capital changes		(318)	(3,158)
(Increase)/ Decrease in trade and other receivables		1,956	(3,019)
Increase/ (Decrease) in trade and other payables		(2,445)	3,450
(Increase)/ Decrease in inventory		485	(1,300)
Cash flows from/(for) operating activities		<hr/>	<hr/>
		(322)	(4,027)
Interest income		10	165
Bank overdraft interest expense		(65)	(339)
Taxation refund		100	-
Taxation paid		-	(141)
Net cash from/(for) operating activities		<hr/>	<hr/>
		(277)	(4,342)
Cash flows from/(for) investing activities			
Purchase of property, plant and equipment		(9)	(133)
Addition of intangible assets		(41)	(1,049)
Disposal of fixed assets, property, plant and equipment		-	12
Repayment of lease receivables		1,771	4,563
Net cash from/(for) investing activities		<hr/>	<hr/>
		1,721	3,393
Cash flows from/(for) financing activities			
Repayment of lease liabilities		(1,521)	(4,773)
Repayment to directors		-	(9)
Proceeds from issuance of shares from private placement		-	5,874
Net cash from/(for) financing activities		<hr/>	<hr/>
		(1,521)	1,092
Net increase/(decrease) in cash and cash equivalents		(77)	143
Effects of foreign exchange translation		-	-
Cash and cash equivalents at beginning of the financial year		4,664	4,521
Cash and cash equivalents at end of the financial period		<hr/> <hr/>	<hr/> <hr/>
		4,587	4,664
Cash and cash equivalents at the end of the financial period comprises the following :-			
Fixed deposits with licensed banks		5,375	8,416
Cash and bank balances		2,571	843
Bank overdraft		(3,359)	(4,595)
		<hr/>	<hr/>
		4,587	4,664

Note:

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying notes attached to this interim financial report.

TECHNODEX BHD

Registration No. 200301025214 (627634-A)

(Incorporated in Malaysia)

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Company →			Attributable to owners of the Company RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Capital Reduction Reserve RM'000	Accumulated Losses RM'000			
Balance at 1 July 2020	46,737	-	(16,424)	30,313	(943)	29,370
Contribution by Owners of the Company						
- Issuance of shares	-	-	-	-	-	-
Utilisation of capital reduction credit:						
- to write off current financial loss	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	(1,105)	(1,105)	(213)	(1,318)
	-	-	(1,105)	(1,105)	(213)	(1,318)
Balance at 30 September 2020	<u>46,737</u>	<u>-</u>	<u>(17,529)</u>	<u>29,208</u>	<u>(1,156)</u>	<u>28,052</u>
Balance at 1 July 2019	40,863	1,339	(7,788)	34,414	(595)	33,819
Contribution by Owners of the Company						
- Issuance of shares	5,874	-	-	5,874	-	5,874
Utilisation of Capital Reduction Credit:						
- to write off current financial loss	-	(1,339)	1,339	-	-	-
Total comprehensive loss for the financial year	-	-	(9,975)	(9,975)	(348)	(10,323)
	-	-	(9,975)	(9,975)	(348)	(10,323)
Balance at 30 June 2020	<u>46,737</u>	<u>-</u>	<u>(16,424)</u>	<u>30,313</u>	<u>(943)</u>	<u>29,370</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standard ("MFRS") No. 134: Interim Financial Reporting, and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("AMLR").

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 30 June 2020, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations that have become effective on 1 January 2020 and, 1 June 2020.

MFRSs and/or IC Interpretations. (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 2: Share-based Payment	1 January 2020
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 7: Financial Instruments: Disclosure	1 January 2020
Amendments to MFRS 9: Financial Instruments	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134: Interim Financial Report	1 January 2020
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138: Intangible Assets	1 January 2020
Amendments to MFRS 139: Financial Instruments: Recognition	1 January 2020
IC Interpretation 12 Service Concession Arrangements	1 January 2020
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
IC Interpretation 132 Intangible assets – Website Costs	1 January 2020
Amendments to MFRS 16: Leases	1 June 2020

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for this interim financial report:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 3: Definition of a Business	1 January 2022
Amendments to MFRS 9: Financial Instruments	1 January 2022

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A2. Summary of Significant Accounting Policies (Cont’d)**

MFRSs and/or IC Interpretations	Effective Date
Amendments to MFRS 116: Property, Plant & Equipment	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company will adopt the above-mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements of the above pronouncements.

A3. Audit Report of Preceding Annual Financial Statements

The audited annual financial statements for the financial year ended 30 June 2020 were not subject to any qualification.

A4. Comments on Seasonal or Cyclical Factors

The results of the Group were not significantly affected by any seasonal or cyclical factors during the current quarter under review and the financial year-to-date.

A5. Nature and Amount of Exceptional and Extraordinary Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current quarter under review and the financial year-to-date.

A6. Material Changes in Estimates

There were no material changes in the estimates used for the preparation of this interim financial report.

A7. Debts and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 September 2020 under review.

A8. Dividend

There were no dividends paid during the current quarter under review and the financial year-to-date.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A9. Segmental Information****a) Analysis of revenue by product categories**

Quarter Ended 30-Sep-2020	Application Support & Services & Hardwares RM'000	Manpower Outsourcing & Recruitments RM'000	E-Commerce & Specified Application Services RM'000	Investment Holding RM'000	Eliminations RM'000	Total RM'000
Sales	10,393	1,826	225	-	-	12,444
Intersegment sales	1	19	32	277	(329)	-
	10,394	1,845	257	277	(329)	12,444
Results						
Interest Income	(5)	-	-	96	(81)	10
Interest expenses	(269)	(50)	-	(15)	81	(253)
Depreciation & amortisation	(81)	(13)	(765)	(102)	-	(961)
Income Tax recover /(expenses)	-	-	-	-	-	-
Segment profit/(loss) after tax	184	277	(1,281)	(498)	-	(1,318)

Year to dated Ended 30-Sep-2020	Application Support & Services & Hardwares RM'000	Manpower Outsourcing & Recruitments RM'000	E-Commerce & Specified Application Services RM'000	Investment Holding RM'000	Eliminations RM'000	Total RM'000
Sales	10,393	1,826	225	-	-	12,444
Intersegment sales	1	19	32	277	(329)	-
	10,394	1,845	257	277	(329)	12,444
Segment results						
Interest Income	(5)	-	-	96	(81)	10
Interest expenses	(269)	(50)	-	(15)	81	(253)
Depreciation & amortisation	(81)	(13)	(765)	(102)	-	(961)
Income Tax recover /(expenses)	-	-	-	-	-	-
Segment profit/(loss) after tax	184	277	(1,281)	(498)	-	(1,318)

b) In determining the geographical segments of the Group, segmental revenue is based on the country in which the customer is located.

The Group's segmental information by geographical location is not shown as the activities of the Group are in Malaysia.

A10. Valuation of Property, plant and equipment

There were no changes in the valuation of property, plant and equipment reported in the previous audited financial statements that will have an effect in the financial quarter under review.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A11. Material Events Subsequent to the End of the Current Period**

Save as disclosed in Note B8, there were no material events subsequent to the end of the current period under review.

A12. Changes in Composition of the Group

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

A13. Contingent Assets or Liabilities

There were no changes in contingent liabilities and contingent assets since the end of the last annual reporting period.

A14. Capital Commitments

There were no capital commitments for the period under review.

A15. Related Party Transactions

During the current financial quarter, the Group has not entered into any related party transactions.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B1. Review of Performance-Comparison with Preceding Year Corresponding Quarter.**

A comparison of financial performance for the current quarter ended 30 September 2020 with the preceding year's corresponding quarter ended ("PYQ") 30 September 2019 as follows: -

	INDIVIDUAL QUARTER ENDED		VARIANCE	
	30/9/2020	30/9/2019	RM'000	%
	Unaudited	Audited		
Revenue	12,445	18,312	(5,867)	(32)
Loss Before Tax ("LBT")	(1,318)	(1,007)	(311)	31

For the current quarter under review, the Group has recorded lower revenue by RM5.867 million or 32% as compared to the PYQ 30 September 2019.

The lower revenue was primarily reported from application support & services and hardware and manpower outsourcing & recruitments services due to like most companies faced. The decrease in revenue was mainly as a result of the current COVID-19 pandemic's impact of economic and business uncertainties causing to the delays in order process, customers cash flow tightening and business slowdown.

For the current quarter under review, the Group recorded higher loss of RM0.311 million mainly due to lower gross profit as a result of decreased revenue. On the positive note of costs, the employment benefits reduced by RM0.20 million as a result of cost streamlining initiatives on non-core human resources and depreciation and amortisation also reduced by RM0.22 million due to lower carrying amount of intangible assets.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B2. Review of Performance-Comparison with Immediate Preceding Quarter's ("PQ") Results.**

	INDIVIDUAL QUARTER ENDED		Variance	
	Current Quarter	Preceding Quarter		
	30/9/2020	30/6/2020		
	RM'000	RM'000	RM'000	%
Revenue	12,445	9,409	3,036	32
Loss Before Tax ("LBT")	(1,318)	(4,409)	3,091	70

For the current quarter under review, the Group's revenue increased by RM3.036 million or 32% as compared to the PQ 30 June 2020 which was primarily due to improved sales orders for the current quarter under review as compared to preceding quarter where most business operations were affected by the worldwide COVID-19 pandemic movement control.

The higher revenue was primarily contribution from application support & services and hardware and manpower outsourcing & recruitments services segments.

The Group posted LBT of RM1.318 million for current quarter under review as compared to PQ 30 June 2020 of RM4.409 million mainly due to following changes: -

Descriptions	RM'000	Note
	Effects to LBT	
Increase in gross profit *	1,065.00	1
Decrease in other operating income	(596.00)	2
Increase in depreciation & amortisation	(509.00)	3
Decrease in other operating expenses *	3,122.00	4
Lower to LBT	3,082.00	

* Comparative figures have been reclassified to conform with current quarter presentation and to reflect appropriately the nature of the transaction.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**B2. Review of Performance-Comparison with Immediate Preceding Quarter's ("PQ") Results. (Cont'd)**

Notes: -

- (1) Improved in gross profit mainly due to higher revenue reported as explained above.
- (2) Decrease in other operating income of RM0.596 million mainly due to higher preceding quarter comparative figures resulted from adoption of MFRS 16 lessor accounting reported for gain on recognition of lease receivables and the government wage subsidy programme.
- (3) Increase in depreciation & amortization of RM0.509. The preceding quarter has reported lower amount due to the reversal of previously recorded depreciation costs of computer IT equipment leasing contract as a result of the adoption of MFRS 16 lessor accounting adjustment.
- (4) Decrease in operating expenses by RM3.122 million mainly due to higher comparative figures of preceding quarter recorded of non-recurring impairment loss of RM2.1 million for online hotel booking application and the bad debts and impairment loss of trade and other receivables as well as higher project operating expenses.

B3. Commentary on Prospects

The unprecedented worldwide outbreak of COVID-19 pandemic has resulted in the imposition of lockdown order, travel restrictions and other precautionary measures in many countries. This has significantly brought much uncertainty and more challenges to the economy and business opportunities in both international and domestic markets.

On the positive outlook, the Covid-19 pandemic has played a part in driving the Digital Economy amid the imposition of the lockdown orders has forced corporations and organisations to reconsider their business working arrangement, product positioning and marketing strategies to leverage on the technologies and partnering with e-commerce platforms to improve their operation efficiency and sales moving forward. The Group management is confident the improvement in ICT sector as we observed active orders of rightly positioned ICT hardware and services.

Despite the challenges above, with Group's management endurance, solid resellers channel in nationwide and track records, the Group is positioned to weather the economic uncertainties and will continue to actively pursue new growth opportunities with a strategy which focuses on a prudent and cohesive expansion in activities closely correlated with the Group's core competencies. In anticipation of the impending economic slowdown, the Group will focus on market expansion and product development of new ICT products (vertical solutions) and services, targeting at the government sector, private sectors, financial institutions and property industries.

The Group strategic intent is to increase market share by improving market coverage and widening its product and services offering that in turns will bring forth new income streams to the Group.

The Group is confident to perform satisfactorily amidst the economic uncertainty by taking pragmatic and well strategised action plans towards maintaining the financial performance of the Group.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B4. Profit Forecast and Profit Guarantee**

The Group has not provided any profit forecast or profit guarantee in any public document.

B5. Taxation

	Current Quarter Ended	Cumulative Quarter Ended
	30/9/2020	30/9/2020
RM'000	Unaudited	Unaudited
Income tax		
- Current provision	-	-
- (Over)/ under provision of tax in prior years	-	-
Total income tax expenses	-	-

The subsidiaries income taxes were calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

B6. Interest Expenses

Breakdown of classification of interest expenses

	Current Quarter Ended		Cumulative Quarter Ended	
	30-Sep-2020	30-Sep-2019	30-Sep-2020	30-Sep-2019
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
i) Cost of sales				
Lease liabilities interest	168	186	168	186
ii) Finance costs				
Lease liabilities interest	20	22	20	22
Bank overdraft interest	65	82	65	82
Total Interest expenses	253	290	253	290

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B7. Comparative figures**

The presentation and classification of items in current quarter's financial statements are consistent with the previous financial period and the following comparative figures which have been classified to conform with current quarter's presentation and to reflect appropriately the nature of the transaction:

	As previously classified	Reclassification	As reclassified
Statement of profit or loss For financial period ended 30 September 2019	RM'000	RM'000	RM'000
Cost of sales	(15,800)	(186)	(15,986)
Employee benefits	(1,193)	164	(1,029)
Key management personnels's remuneration	-	(406)	(406)
Other operating expenses	(927)	242	(685)
Finance costs	(290)	186	(104)

B8. Corporate Proposals

There is no corporate proposals announced has not completed as at the date of this report except for the following: -

The Board of Directors of the Company had on 28 September 2020 announced that the Company proposed to undertake the proposed placement of up to 10% of the total number of issued shares of TDEX and the listing of and quotation for the placement shares application has been approved by Bursa Malaysia Securities Berhad on 23 October 2020.

As at report date, the Company has yet to allot for the listing of the said placement shares.

B9. Borrowings and Debt Securities

Details of the Group's borrowings as at 30 September 2020 are as follows: -

	As at 30/9/2020 (RM'000)
Secured borrowings:-	
Current:	
Lease Liabilities	5,430
	5,430
Non-Current:	
Lease Liabilities	7,312
	7,312
Total	12,742

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B10. Material Litigation**

There was no material litigation as at the date of this report.

B11. Dividend

The Board of Directors does not recommend any dividend for the current quarter under review and the financial year-to-date.

B12. Earnings per Share

The basic earnings per share is calculated based on Group's net loss attributable to the owners of the parent of approximately RM1.105 million for the current quarter under review and net loss attributable to the owners of RM1.105 million for the current year-to-date, divided by the weighted average number of ordinary shares in issue as follows: -

	Current Quarter Ended	Cumulative Quarter Ended
	30/9/2020	30/9/2020
	Unaudited	Unaudited
Loss attributable to ordinary equity holders of the parent (RM'000)	(1,105)	(1,105)
Weighted Average Number of Ordinary Shares	767,087,723	767,087,723
Basic Loss per share (sen)	(0.14)	(0.14)

The loss for the period attributable to ordinary equity holders of the parent is not subjected to any dilutive elements, thus diluted loss per shares is not presented.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2020**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B13. Status of Utilisation of Proceeds**

The status of the utilisation of proceeds from the Previous Private Placement as at the date of this report is as follows: -

Purpose	Proposed utilisation RM'000	Proceed Raised RM'000	Actual utilisation RM'000	Unutilised proceed RM'000	Estimated timeframe for utilisation of proceeds⁽¹⁾
IT contracts and/or orders	5,200	4,175	4,175	0	Within 18 months
Business expansion	1,500	1,500	-	1,500 ⁽³⁾	Within 18 months
Estimated expenses in relation to the Previous Private Placement	400	200	200	- ⁽²⁾	Within 1 month
	7,100	5,875	4,375	1,500	

Notes:

- (1) From date of listing of the Previous Placement Shares.
- (2) Only RM200,000 had been utilised for the expenses in relation to the Previous Private Placement.
- (3) The business expansion to the South East Asia region has been delayed as a result of sanctions of travelling abroad due to various travel restrictions in response to the Coronavirus Disease 2019 (“**Covid-19**”) pandemic. Therefore, the unutilised proceed is expected to be fully utilised when the travel restrictions are lifted.