

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		12 months ended	
		30/06/2022 RM'000 (Unaudited)	30/06/2021 RM'000 (Audited)	30/06/2022 RM'000 (Unaudited)	30/06/2021 RM'000 (Audited)
Continuing Operations					
Revenue	B1&B2	6,790	15,124	34,856	58,825
Less: Cost of sales	B6	(6,379)	(14,622)	(32,295)	(53,651)
Gross Profit		411	502	2,561	5,174
Other operating income		412	437	779	3,265
Employee benefits		(786)	(792)	(2,978)	(2,935)
Key management personnels's remuneration		(408)	(486)	(1,719)	(1,842)
Depreciation & amortisation		(585)	(549)	(2,314)	(3,152)
Other operating expenses		(2,396)	(1,083)	(5,121)	(4,829)
Profit / (Loss) from operations		(3,352)	(1,971)	(8,792)	(4,319)
Finance costs	B6	(83)	(55)	(262)	(267)
Profit / (Loss) before taxation	B1, B2	(3,435)	(2,026)	(9,054)	(4,586)
Income tax recover /(expenses)	B5	50	37	50	(163)
Profit / (Loss) from continuing operations for the period		(3,385)	(1,989)	(9,004)	(4,749)
Discontinued Operations					
Profit / (Loss) from discontinued operations, net of tax	A13	-	-	-	(426)
Profit / (Loss) for the period		(3,385)	(1,989)	(9,004)	(5,175)
Other Comprehensive income					
- Currency translation difference not recognised in income statement		-	-	-	-
Total comprehensive Profit / (loss) for the period		(3,385)	(1,989)	(9,004)	(5,175)
Profit / (Loss) Attributable to:					
Owner of the Parent		(3,376)	(1,976)	(8,972)	(4,926)
Non-controlling interest		(9)	(13)	(32)	(249)
		(3,385)	(1,989)	(9,004)	(5,175)
Total comprehensive Profit / (Loss) attributable to :					
Owner of the Parent		(3,376)	(1,976)	(8,972)	(4,926)
Non-controlling interest		(9)	(13)	(32)	(249)
		(3,385)	(1,989)	(9,004)	(5,175)
Profit / (loss) per share (sen)					
- Basic	B11	(0.40)	(0.24)	(1.09)	(0.63)
- Diluted	B11	(0.40)	(0.24)	(1.09)	(0.63)

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 2021 and the accompanying note attached to this interim financial report.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As At 30/06/2022 RM'000	Audited As At 30/06/2021 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		754	784
Right of use assets		1,148	943
Intangible asset		1,552	3,362
Goodwill on consolidation		1,154	2,194
Lease receivables		5	1,879
Total Non-current Assets		4,613	9,162
Current Assets			
Trade receivables		10,574	9,714
Other receivables, deposits and prepayments		2,857	1,443
Lease receivables		1,874	5,413
Other Investments		706	-
Inventory		3,837	4,372
Current tax asset		325	271
Fixed deposits with licensed banks		3,877	17,264
Cash and bank balances		9,689	1,344
Total Current Assets		33,739	39,821
Total Assets		38,352	48,983
Equity and Liabilities			
Share capital		58,630	54,857
Capital Reserve		-	-
Accumulated (losses)		(30,350)	(21,378)
Non controlling interest		(10)	22
Total Equity		28,270	33,501
Non-current Liabilities			
Lease Liabilities	B9	594	2,853
Deferred tax liability		-	10
Deferred Income		-	23
Total Non-current Liabilities		594	2,886
Current Liabilities			
Trade payables		1,791	2,399
Other payables & accruals		831	1,877
Bank overdraft		3,783	2,613
Lease Liabilities	B9	3,019	5,572
Deferred Income		64	91
Tax Payables	B5	-	44
Total Current Liabilities		9,488	12,596
Total Liabilities		10,082	15,482
Total Equity and Liabilities		38,352	48,983
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.03	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 2021 and the accompanying note attached to this interim financial report.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Note	Period ended 30/06/2022 Unaudited RM'000	Year ended 30/06/2021 Audited RM'000
Cash flows from/(for) operating activities			
Loss before taxation:			
-Continuing operation		(9,054)	(4,587)
-Discontinuing operation		-	(427)
		<u>(9,054)</u>	<u>(5,014)</u>
Adjustment for:-			
Amortisation of intangible assets - included discontinued operations		1,379	2,485
Depreciation of property, plant and equipment & right of use assets- included discontinued operations		935	826
Interest income		(260)	(152)
Finance income lease receivables		(266)	(566)
Lease liabilities interest expense	B6	378	653
Bank Overdraft interest expense		186	197
Fair value adjustments on other investment		670	-
Impairment loss of Intangible assets		430	2,011
Impairment of trade & other receivables		4	606
Gain from the disposal before waiver of owing by disposed subsidiary		-	(4,452)
Waiver of indebtedness owed by disposed subsidiary		-	1,900
Gain on lease modification		(6)	(70)
Written off Inventory		149	266
Bad debts of other receivables		-	8
Impairment loss of goodwill on consolidation		1,040	-
		<u>(4,415)</u>	<u>(1,302)</u>
Operating loss before working capital changes		(4,415)	(1,302)
(Increase)/ Decrease in trade and other receivables		(2,278)	1,944
Increase/ (Decrease) in trade and other payables		(1,564)	1,191
Increase/ (Decrease) in deferred income		(50)	(27)
(Increase)/ Decrease in inventory		386	(1,067)
Cash flows from/(for) operating activities		<u>(7,921)</u>	<u>739</u>
Interest income		260	152
Bank overdraft interest expense		(186)	(197)
Taxation refund		43	114
Taxation paid		(190)	(248)
Net cash from/(for) operating activities		<u>(7,994)</u>	<u>560</u>
Cash flows from/(for) investing activities			
Purchase of property, plant and equipment		(153)	(84)
Addition of right-of-use assets		(93)	(53)
Repayment of lease receivables		5,679	5,679
Net cashflow from disposal of subsidiary		-	3,141
Purchase of quoted investments		(1,376)	-
Net cash from/(for) investing activities		<u>4,057</u>	<u>8,683</u>
Cash flows from/(for) financing activities			
Repayment of lease liabilities		(6,048)	(6,032)
Proceeds from issuance of shares from private placement		3,773	8,120
Net cash from/(for) financing activities		<u>(2,275)</u>	<u>2,088</u>
Net increase/(decrease) in cash and cash equivalents		<u>(6,212)</u>	<u>11,331</u>
Effects of foreign exchange translation		-	-
Cash and cash equivalents at beginning of the financial year		15,995	4,664
Cash and cash equivalents at end of the financial period		<u>9,783</u>	<u>15,995</u>
<u>Cash and cash equivalents at the end of the financial period comprises the following :-</u>			
Fixed deposits with licensed banks		3,877	17,264
Cash and bank balances		9,689	1,344
Bank overdraft		(3,783)	(2,613)
		<u>9,783</u>	<u>15,995</u>

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 2021 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 FOURTH QUARTER ENDED 30 JUNE 2022

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 2021	54,857	-	(21,378)	33,479	22	33,501
Contribution by Owners of the Company						
- Issuance of shares	3,773	-	-	3,773	-	3,773
Changes in ownership interests in subsidiaries						
- Disposal of shares in a subsidiary	-	-	-	-	-	-
- Acquisition of non-controlling interest	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	(8,972)	(8,972)	(32)	(9,004)
	-	-	(8,972)	(8,972)	(32)	(9,004)
Balance at 30 June 2022	<u>58,630</u>	<u>-</u>	<u>(30,350)</u>	<u>28,280</u>	<u>(10)</u>	<u>28,270</u>
Balance at 1 July 2020	46,737	-	(16,424)	30,313	(943)	29,370
Contribution by Owners of the Company						
- Issuance of shares	8,120	-	-	8,120	-	8,120
Changes in ownership interests in subsidiaries						
- Disposal of shares in a subsidiary					1,232	1,232
- Acquisition of non-controlling interest			18	18	(18)	-
Total comprehensive loss for the financial year	-	-	(4,972)	(4,972)	(249)	(5,221)
	-	-	(4,972)	(4,972)	(249)	(5,221)
Balance at 30 June 2021	<u>54,857</u>	<u>-</u>	<u>(21,378)</u>	<u>33,479</u>	<u>22</u>	<u>33,501</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 June 2022**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 2021 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 2021, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations that have become effective on 1 January 2021.

MFRSs and/or IC Interpretations. (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 7: Financial Instruments: Disclosure	1 January 2021
Amendments to MFRS 9: Financial Instruments	1 January 2021
Amendments to MFRS 16: Leases	1 January 2021
Amendments to MFRS 139: Financial Instruments: Recognition and Measurement	1 January 2021

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 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 3: Definition of a Business	1 January 2022
Amendments to MFRS 9: Financial Instruments	1 January 2022
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 101: Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112: Income Taxes	1 January 2023

Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 June 2022**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A2. Summary of Significant Accounting Policies (Cont’d)**

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 2021 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 31 March 2022 under review save for the issuance of 36,708,700 ordinary shares by way of private placement at an issue price of RM 0.1028 per share on 11 January 2022.

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 Fourth Quarter Ended 30 June 2022**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 June 2022		Hardware, Software and Professional Services RM'000	Manpower Outsourcing & Recruitments Services RM'000	E-Commerce & Specified Application Services RM'000	Investment Holding RM'000	Eliminations RM'000	Total RM'000
Sales		5,809	977	4	-	-	6,790
Intersegment sales		3	5	-	246	(254)	-
		<u>5,812</u>	<u>982</u>	<u>4</u>	<u>246</u>	<u>(254)</u>	<u>6,790</u>
Segment results							
Interest Income		5	18	-	195	(123)	95
Interest expenses		(205)	(45)	-	(5)	123	(132)
Depreciation & amortisation		(100)	(16)	(345)	(124)	-	(585)
Income Tax recover /(expenses)		50	-	-	-	-	50
Segment profit/(loss) after tax		(743)	(53)	(797)	(1,792)	-	(3,385)
Year to date Ended 30 June 2022	Note	Hardware, Software and Professional Services RM'000	Manpower Outsourcing & Recruitments Services RM'000	E-Commerce & Specified Application Services RM'000	Investment Holding RM'000	Eliminations RM'000	Total RM'000
Sales		31,283	3,557	16	-	-	34,856
Intersegment sales		18	17	-	984	(1,019)	-
		<u>31,301</u>	<u>3,574</u>	<u>16</u>	<u>984</u>	<u>(1,019)</u>	<u>34,856</u>
Segment results							
Interest Income		37	18	-	639	(434)	260
Interest expenses	B6	(804)	(171)	-	(23)	434	(564)
Depreciation & amortisation		(402)	(54)	(1,381)	(477)	-	(2,314)
Income Tax recover /(expenses)		50	-	-	-	-	50
Segment profit/(loss) after tax		(1,876)	(243)	(1,932)	(4,953)	-	(9,004)

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 Fourth Quarter Ended 30 June 2022**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. Discontinued Operations

The disposal of MyProperty Data Sdn. Bhd. (“MDSB”) during financial year ended 30 June 2021 has been classified as discontinued operations in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations whereby the comparative Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income has been presented to show the discontinued operations separately from continuing operations.

MYPROPERTY DATA SDN BHD

Loss attributable to the discontinued operations were as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Revenue	-	-	-	544
Less: Cost of sales	-	-	-	-
Gross Profit	-	-	-	544
Other operating income	-	-	-	23
Employee benefits	-	-	-	(384)
Key management personnels's remuneration	-	-	-	(81)
Depreciation & amortisation	-	-	-	(159)
Other operating expenses	-	-	-	(369)
Loss from operations	-	-	-	(426)
Finance costs	-	-	-	-
Loss before taxation	-	-	-	(426)
Income tax recover /(expenses)	-	-	-	-
Loss from discontinued operations for the period	-	-	-	(426)

Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 June 2022**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A14. Contingent Assets or Liabilities**

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

A15. Capital Commitments

There were no capital commitments for the period under review.

A16. Related Party Transactions

The transactions entered into with the related parties of the Group as follows: -

12 months ended

30-Jun-2022

Transactions with director:-

Rental paid: RM5,500

Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 June 2022
PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET
B1. Review of Financial Performance for Current Quarter and Financial Year to Date

A comparison of financial performance of the Group for: -

- i) The current quarter (“**Q42022**”) ended 30 June 2022 with the preceding year’s corresponding quarter (“**Q42021**”) ended 30 June 2021
- ii) and the current year to date (“**CY2022**”) ended 30 June 2022 with the preceding year to date (“**PY2021**”) ended 30 June 2021 as follows: -

Descriptions	INDIVIDUAL QUARTER ENDED		Changes		CUMULATIVE 4 QUARTERS ENDED		Changes	
	30/06/2022	30/06/2021			30/06/2022	30/06/2021		
	Q42022	Q42021	CY2022	PY2021				
	RM'000	RM'000	RM'000	RM'000				
	Unaudited	Audited	RM'000	%	Unaudited	Audited	RM'000	%
Revenue	6,790	15,124	(8,334)	-55%	34,856	58,825	(23,969)	-41%
Profit/(Loss) Before Tax ("PBT") ("LBT")								
Continuing Operations	(3,435)	(2,026)	(1,409)		(9,054)	(4,586)	(4,468)	
Discontinued Operations	-	-	-	-	-	(426)	426	-
	(3,435)	(2,026)	(1,409)	70%	(9,054)	(5,012)	(4,042)	81%

The Group’s revenue of RM6.79 million for **Q42022** is **lower compared to Q42021**, representing a **decrease of RM8.33 million** or -55%.

For the **year-to-date under review**, the Group’s revenue of RM34.85 million is **lower compared to** RM58.82 million recorded in the PY2021, representing a **decrease of RM23.96 million** or -41%.

For the year over year **quarterly and year-to-date under review**, **lower revenue** was reported from both the **hardware, software and professional services** and **manpower outsourcing and recruitment services** mainly attributed to **lower export and project sales order** and **lower contract sales of IT professional for outsourcing services** due to **IT talent shortage**.

The Group’s **Loss before Tax** of RM3.43 million for **Q42022** as compared to LBT RM2.02 million in the **Q42021**, representing a **higher LBT by RM1.40 million**.

This was mainly **attributed from** the lower gross profit **RM0.1 million** (Q42022:RM0.40 million, Q42021:RM0.5 million) as a result of lower revenue and higher other operating expenses (Q42022:RM2.39 million, Q42021:RM1.08 million) due to **recorded a one-time non-cash expenses RM1.04 million for impairment of goodwill** on consolidation which was arisen from the acquisition of subsidiary more than decade ago.

Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 June 2022
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 Current Quarter and Financial Year to Date
 (continued)**

For the **year-to-date under review**, the Group reported a higher Loss before Tax of RM9.05 million as compared to LBT RM5.01 million in the PY2021, representing a higher LBT **by RM4.04 million mainly attributable to: -**

Description	RM Million	Note
Lower Gross Profit	(2.60)	1
Lower Other Operating Income	(2.40)	2
Higher Other Operating Expenses	(0.30)	3
No loss from Discontinue Operation-disposed Subsidiary	0.40	4
Lower Amortisation and Depreciation cost	0.80	5
Lower in Employees & Key Personnels Remuneration & Benefits	0.10	6
	<u>(4.00)</u>	

Notes: -

1. Lower gross profit mainly due to lower revenue reported as explained.
2. Lower other operating income as a result of PY2021 recorded a Gain on disposal of subsidiary classified in other operating income amounting to RM2.55 million.
3. Higher Other Operating Expenses mainly attributed to fair value adjustments on other investment.
4. No loss from loss making subsidiary disposed on PY2021.
5. Lower amortisation and depreciation cost attributed to lower carrying amount of intangible assets
6. Lower expenses due to employee cost streamlining.

B2. Review of Financial Performance-Comparison with Immediate Preceding Quarter's Results.

Descriptions	INDIVIDUAL QUARTER ENDED		VARIANCE	
	30/06/2022	31/03/2022		
	Q42022	Q32022		
	RM'000	RM'000	RM'000	%
	Unaudited	Audited		
Revenue	6,790	4,644	2,146	46
Profit/(Loss) Before Tax ("PBT") ("LBT")				
Continuing Operations	(3,435)	(2,683)	(752)	-28
Discontinued Operations	-	-	-	-
	(3,435)	(2,683)	(752)	-28

Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 June 2022**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B2. Review of Financial Performance-Comparison with Immediate Preceding Quarter's Results. (continued)**

For the **Q42022 under review**, the Group reported revenue of RM6.79 million as **compared to** RM4.64 million in the **Q32022**, representing **an increase of RM2.14 million** or +46%.

Higher revenue was mainly reported from the **hardware, software and professional services and manpower outsourcing and recruitment services** mainly attributed to **higher export sales order and secured new key client** for professional outsourcing contract sales

Higher Lost Before Tax by RM0.75 million or 28% (Q42022: -RM3.43 million, Q32022: -RM2.68 million). This was **mainly attributed** to higher other operating expenses due to **recorded a one-time non-cash expenses for impairment of goodwill on consolidation** as explained in Note B1.

B3. Commentary on Prospects

The past two years was not favourable to many businesses as impacted by the outbreak of Coronavirus Disease 2019 (“COVID-19”) since the end of 2019. The Malaysia Government announced the Movement Control Order (“MCO”) 1.0 starting from 18 March 2020 to 3 May 2020 and subsequently the MCO was extended and relaxed to different phases in 2020 and 2021.

While the near-term growth outlook has been affected by a resurgence in COVID-19 cases, the Malaysian economy remains on a recovery path and will be cushioned by several factors. These include continued allowances for essential economic sectors to operate, higher adaptability to remote working, as well as increased automation and digitalisation. Going forward, the growth trajectory will depend on the ability to contain the COVID-19 pandemic and materialisation of health outcomes from the nationwide vaccination programme.

On the positive outlook, the implementation of various phases of the MCO to curb the spread of COVID-19 has played a part in driving the Digital Economy in the government and private sectors. This has forced government agencies and schools to adapt to work-from-home and study-from-home arrangements. ICT solutions will become increasingly essential for government agencies to increase the scope and quality of carrying out their daily public services. Private corporations and organisations have reconsidered their business working arrangement, product positioning and marketing strategies to leverage on the technologies and e-commerce platforms. In view of this, Our Group will anchor more IT contract tenders in order to secure more IT contract from the government agencies and private sectors. This initiative will enable the Group to capture the government’s digital transformation policies and tap into new opportunities for growth.

Forward-looking, the Group will continue to adopt the strategies of expand our Cybersecurity, Artificial Intelligence, Blockchain, Big Data Intelligence services in Malaysia and other countries in the South East Asia region with teaming and collaboration arrangements with prospective partners and principals and also will emphasize investment on higher growth and profit margin business. In addition, the Group is also eyeing mergers and acquisitions or joint ventures and diversification opportunities to achieve the Group growth objective.

Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 June 2022**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B3. Commentary on Prospects**
(continued)

Despite the economic uncertainty challenges, 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.

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
	30/6/2022	30/6/2022
RM'000	Unaudited	Unaudited
Income tax		
Over provision of tax in prior years	50	50
Total income tax expenses	50	50

There is no provision for taxation for this quarter as the Company is in an adjusted business loss position and there are unused tax losses and unabsorbed capital allowances available to be offset against taxable income.

B6. Interest Expenses

Breakdown of classification of interest expenses

	Current Quarter Ended		Cumulative Quarter Ended	
	30-Jun-2022	30-Jun-2021	30-Jun-2022	30-Jun-2021
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
i) Cost of sales				
Lease liabilities interest	49	108	302	583
ii) Finance costs				
Lease liabilities interest	21	13	76	70
Bank overdraft interest	62	42	186	197
Total Interest expenses	132	163	564	850

B7. Corporate Proposals

There is no corporate proposals announced has not completed as at the date of this report.

Unaudited Quarterly Financial Report For The Fourth Quarter Ended 30 June 2022**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B8. Borrowings and Debt Securities**

Details of the Group's borrowings as at 30 June 2022 are as follows: -

	As at 30/6/2022 (RM'000)
Secured borrowings:-	
Current:	
Lease Liabilities	3,019
	3,019
Non-Current:	
Lease Liabilities	594
	594
Total	3,613

B9. Material Litigation

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

B10. Dividend

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

B11. 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 RM3.376 million for the current quarter under review and net loss attributable to the owners of RM8.972 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
	30/6/2022	30/6/2022
	Unaudited	Unaudited
Loss attributable to ordinary equity holders of the parent (RM'000)	(3,376)	(8,972)
Weighted Average Number of Ordinary Shares	843,796,423	824,184,926
Basic profit per share (sen)	(0.40)	(1.09)

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 Fourth Quarter Ended 30 June 2022**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B12. Status of Utilisation of Proceeds**

- i) The status of the utilisation of proceeds from the Private Placement of up to 30% of the total number of issued shares of the Company as at the date of this report is as follows: -

Purpose	Proceed raised	Actual utilisation	Unutilised proceed	Timeframe for utilisation of proceeds (1)
	RM'000	RM'000	RM'000	
IT contracts and /or orders	4,175.00	4,175.00	-	Within 18 months
Business expansion (3)	1,500.00	0.00	1,500.00	Within 18 months
Expenses in relation to the Private Placement (2)	200.00	200.00	-	Within 1 months
Total	5,875.00	4,375.00	1,500.00	

Notes:

- (1) From 26 March 2020 and 22 May 2020, 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 COVID-19 pandemic.

- ii) The Status of utilisation of Proceeds derived from the 76,708,700 Placement Shares in relation to the private placement (“PP”) as disclosed in Note B8 as at 30 June 2022 is as follows:

Purpose	Proceed raised	Deviation (3)	Actual utilisation	Unutilised proceed	Timeframe for utilisation of proceeds (2)
	RM'000	RM'000	RM'000	RM'000	
Information technology (“IT”) contracts and orders	11,594.00	157.00	(9,820.00)	1,931.00	Within 18 months
Estimated expenses for the Proposed Private Placement (3)	300.00	(157.00)	(143.00)	0.00	Within 1 month
Total	11,894.00	-	(9,963.00)	1,931.00	

Notes:

- (1) The PP has completed on 11 January 2022.
(2) From date of listing of the Placement Shares.
(3) The actual expenses in relation to the Private Placement is RM143,000, the unutilised amount of RM157,000 will be utilised for Information technology (“IT”) contracts and orders.