

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| | | 3 months ended | | 3 months ended | |
| | | 30/09/2023 RM'000 (Unaudited) | 30/09/2022 RM'000 (Audited) | 30/09/2023 RM'000 (Unaudited) | 30/09/2022 RM'000 (Audited) |
| Continuing Operations | | | | | |
| Revenue | B1&B2 | 9,184 | 16,403 | 9,184 | 16,403 |
| Less: Cost of sales | B6 | (8,502) | (15,434) | (8,502) | (15,434) |
| Gross Profit | | 682 | 969 | 682 | 969 |
| Other operating income | | 116 | 10 | 116 | 10 |
| Fair value gain/(loss) on investment in quoted shares | B7 | 141 | (177) | 141 | (177) |
| Employee benefits | | (892) | (817) | (892) | (817) |
| Key management personnels's remuneration | | (529) | (504) | (529) | (504) |
| Depreciation & amortisation | | (223) | (499) | (223) | (499) |
| Other operating expenses | B7 | (579) | (675) | (579) | (675) |
| (Loss) from operations | | (1,284) | (1,693) | (1,284) | (1,693) |
| Finance costs | B6 | (85) | (90) | (85) | (90) |
| (Loss) before taxation | B1, B2 | (1,369) | (1,783) | (1,369) | (1,783) |
| Income tax recover /(expenses) | B5 | - | - | - | - |
| (Loss) for the period | | (1,369) | (1,783) | (1,369) | (1,783) |
| Other Comprehensive income | | | | | |
| - Currency translation difference not recognised in income statement | | - | - | - | - |
| Total comprehensive Profit / (loss) for the period | | (1,369) | (1,783) | (1,369) | (1,783) |
| (Loss) Attributable to: | | | | | |
| Owner of the Parent | | (1,367) | (1,779) | (1,367) | (1,779) |
| Non-controlling interest | | (2) | (4) | (2) | (4) |
| | | (1,369) | (1,783) | (1,369) | (1,783) |
| Total comprehensive Profit / (Loss) attributable to : | | | | | |
| Owner of the Parent | | (1,367) | (1,779) | (1,367) | (1,779) |
| Non-controlling interest | | (2) | (4) | (2) | (4) |
| | | (1,369) | (1,783) | (1,369) | (1,783) |
| Profit / (loss) per share (sen) | | | | | |
| - Basic | B12 | (0.16) | (0.21) | (0.16) | (0.21) |
| - Diluted | B12 | (0.16) | (0.21) | (0.16) | (0.21) |

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 2023 and the accompanying note attached to this interim financial report.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | Unaudited As At 30/09/2023 RM'000 | Audited As At 30/06/2023 RM'000 |
|--|------|---|---------------------------------------|
| Assets | | | |
| Non-current Assets | | | |
| Property, plant and equipment | | 755 | 799 |
| Right of use assets | | 1,117 | 1,293 |
| Goodwill on consolidation | | 1,154 | 1,154 |
| Other Investments | | 600 | 459 |
| Total Non-current Assets | | 3,626 | 3,705 |
| Current Assets | | | |
| Trade receivables | | 4,989 | 5,207 |
| Other receivables, deposits and prepayments | | 1,719 | 2,117 |
| Lease receivables | | - | - |
| Inventory | | 6,896 | 5,621 |
| Current tax asset | | 304 | 301 |
| Fixed deposits with licensed banks | | 6,020 | 7,009 |
| Cash and bank balances | | 2,130 | 4,117 |
| Total Current Assets | | 22,058 | 24,372 |
| Total Assets | | 25,684 | 28,077 |
| Equity and Liabilities | | | |
| Share capital | | 58,630 | 58,630 |
| Capital Reserve | | - | - |
| Accumulated (losses) | | (39,620) | (38,253) |
| Non controlling interest | | (31) | (29) |
| Total Equity | | 18,979 | 20,348 |
| Non-current Liabilities | | | |
| Lease Liabilities | B9 | 585 | 661 |
| Total Non-current Liabilities | | 585 | 661 |
| Current Liabilities | | | |
| Trade payables | | 1,079 | 1,918 |
| Other payables & accruals | | 931 | 1,172 |
| Bank overdraft | | 3,531 | 3,314 |
| Lease Liabilities | B9 | 579 | 664 |
| Total Current Liabilities | | 6,120 | 7,068 |
| Total Liabilities | | 6,705 | 7,729 |
| Total Equity and Liabilities | | 25,684 | 28,077 |
| Net assets per share attributable to ordinary equity holders of the parent company (RM) | | 0.02 | 0.02 |

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 2023 and the accompanying note attached to this interim financial report.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| | Note | Period ended 30/09/2023 Unaudited RM'000 | Year ended 30/06/2023 Audited RM'000 |
|---|------|---|---|
| Cash flows from/(for) operating activities | | | |
| Loss before taxation: | | (1,369) | (7,924) |
| Adjustment for:- | | | |
| Amortisation of intangible assets - included discontinued operations | | - | 956 |
| Depreciation of property, plant and equipment & right of use assets | | 223 | 930 |
| Interest income | | (35) | (136) |
| Finance income lease receivables | | - | (14) |
| Lease liabilities interest expense | B6 | 15 | 115 |
| Bank Overdraft interest expense | | 70 | 270 |
| Fair value (gain) / loss on investment in quoted shares | | (141) | 247 |
| Gain on disposal of property, plant and equipment | | - | (73) |
| Impairment loss of Intangible assets | | - | 596 |
| Impairment of trade & other receivables | | - | 6 |
| Provision for Obsolete Inventory | | - | 248 |
| Unrealised loss/(gain) on foreign exchange | | - | 113 |
| | | <hr/> | <hr/> |
| Operating loss before working capital changes | | (1,237) | (4,666) |
| (Increase)/ Decrease in trade and other receivables | | 616 | 5,987 |
| Increase/ (Decrease) in trade and other payables | | (1,080) | 459 |
| Increase/ (Decrease) in deferred income | | - | (64) |
| (Increase)/ Decrease in inventory | | (1,275) | (2,031) |
| Cash flows from/(for) operating activities | | <hr/> (2,976) | <hr/> (315) |
| Interest income | | 35 | 136 |
| Bank overdraft interest expense | | (70) | (270) |
| Lease liabilities interest expense | | (15) | (115) |
| Taxation refund | | - | 78 |
| Taxation paid | | (3) | (44) |
| Net cash from/(for) operating activities | | <hr/> (3,029) | <hr/> (530) |
| Cash flows from/(for) investing activities | | | |
| Purchase of property, plant and equipment | | (3) | (253) |
| Repayment of lease receivables | | - | 1,893 |
| Disposal of fixed assets, property, plant and equipment | | - | 80 |
| Net cash from/(for) investing activities | | <hr/> (3) | <hr/> 1,720 |
| Cash flows from/(for) financing activities | | | |
| Repayment of lease liabilities | | (161) | (3,161) |
| Net cash from/(for) financing activities | | <hr/> (161) | <hr/> (3,161) |
| Net increase/(decrease) in cash and cash equivalents | | <hr/> (3,193) | <hr/> (1,971) |
| Effects of foreign exchange translation | | - | - |
| Cash and cash equivalents at beginning of the financial year | | 7,812 | 9,783 |
| Cash and cash equivalents at end of the financial period | | <hr/> 4,619 | <hr/> 7,812 |
| <u>Cash and cash equivalents at the end of the financial period comprises the following :-</u> | | | |
| Fixed deposits with licensed banks | | 6,020 | 7,009 |
| Cash and bank balances | | 2,130 | 4,117 |
| Bank overdraft | | (3,531) | (3,314) |
| | | <hr/> 4,619 | <hr/> 7,812 |

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 2023 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 2023**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| | ← Attributable to Equity Holders of the Company → | | | | |
|---|---|--------------------|--|--------------------------|---------------|
| | ← Non-Distributable → | | | | |
| | Share Capital | Accumulated Losses | Attributable to owners of the Company | Non-Controlling Interest | Total Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance at 1 July 2023 | 58,630 | (38,253) | 20,377 | (29) | 20,348 |
| Contribution by Owners of the Company | | | | | |
| Total comprehensive loss for the financial period | - | (1,367) | (1,367) | (2) | (1,369) |
| | - | (1,367) | (1,367) | (2) | (1,369) |
| Balance at 30 June 2024 | <u>58,630</u> | <u>(39,620)</u> | <u>19,010</u> | <u>(31)</u> | <u>18,979</u> |
| Balance at 1 July 2022 | 58,630 | (30,349) | 28,281 | (8) | 28,273 |
| Contribution by Owners of the Company | | | | | |
| Total comprehensive loss for the financial year | - | (7,904) | (7,904) | (21) | (7,925) |
| | - | (7,904) | (7,904) | (21) | (7,925) |
| Balance at 30 June 2023 | <u>58,630</u> | <u>(38,253)</u> | <u>20,377</u> | <u>(29)</u> | <u>20,348</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2023**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 2023 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 2023, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations that have become effective on 1 July 2023.

| MFRSs and/or IC Interpretations. (Including The Consequential Amendments) | Effective Date of Adoption |
|--|-------------------------------|
| MFRS 17: Insurance of Contracts | 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 |

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 for financial periods beginning on or after |
|---|--|
| Amendments to MFRS 7: Financial Instruments: Disclosures | 1 January 2024 |
| Amendments to MFRS 16: Leases | 1 January 2024 |
| Amendments to MFRS 101: Presentation of Financial Statements | 1 January 2024 |
| Amendments to MFRS 107: Statement of Cash Flows | 1 January 2024 |
| Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates | 1 January 2025 |
| Amendments to MFRS 10 and MFRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint venture | To be determined |

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 upon adoption of the above pronouncements.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2023**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A3. Audit Report of Preceding Annual Financial Statements**

The audited annual financial statements for the financial year ended 30 June 2023 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 2023 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 2023**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 September 2023 | 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 | | 8,321 | 863 | - | - | - | 9,184 |
| Intersegment sales | | 2 | 3 | - | 215 | (220) | - |
| | | <u>8,323</u> | <u>866</u> | <u>-</u> | <u>215</u> | <u>(220)</u> | <u>9,184</u> |
| Results | | | | | | | |
| Interest Income | | 8 | 13 | - | 113 | (99) | 35 |
| Interest expenses | B6 | 131 | 39 | - | 14 | (99) | 85 |
| Depreciation & amortisation | | 90 | 1 | 1 | 131 | - | 223 |
| Income Tax recover /(expenses) | | - | - | - | - | - | - |
| Segment profit/(loss) after tax | | (459) | (22) | (93) | (795) | - | (1,369) |
| Year to date Ended 30 September 2023 | 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 | | 8,321 | 863 | - | - | - | 9,184 |
| Intersegment sales | | 2 | 3 | - | 215 | (220) | - |
| | | <u>8,323</u> | <u>866</u> | <u>-</u> | <u>215</u> | <u>(220)</u> | <u>9,184</u> |
| Segment results | | | | | | | |
| Interest Income | | 8 | 13 | - | 113 | (99) | 35 |
| Interest expenses | B6 | 131 | 39 | - | 14 | (99) | 85 |
| Depreciation & amortisation | | 90 | 1 | 1 | 131 | - | 223 |
| Income Tax recover /(expenses) | | - | - | - | - | - | - |
| Segment profit/(loss) after tax | | (459) | (22) | (93) | (795) | - | (1,369) |

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 2023**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 2023**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.**

A comparison of financial performance of the Group for the **current quarter (“Q12024”)** ended 30 September 2023 with the **preceding year’s corresponding quarter (“Q12023”)** ended 30 September 2022.

| Descriptions | INDIVIDUAL QUARTER ENDED | | Changes | |
|----------------------------------|--------------------------|----------------|----------------|-------------|
| | 30/09/2023 | 30/09/2022 | | |
| | Q12024 | Q12023 | | |
| | RM'000 | RM'000 | | |
| | Unaudited | Audited | RM'000 | % |
| Revenue | 9,184 | 16,403 | (7,219) | -44% |
| (Loss) Before Tax ("LBT") | (1,369) | (1,783) | 414 | -23% |

For the **Q12024’s revenue of RM9.18 million** as compared to the **Q12023’s revenue of RM16.40 million**, the Group recorded a **decrease in revenue of RM7.22 million or -44%**.

For the current quarter under review, revenue from the **hardware, software and professional services decreased by RM6.13 million or -42%** (Q12024:RM8.32 million, Q12023:RM14.45 million) which was mainly **due to lower contribution from hardware project sales order**. In addition, revenue from **manpower outsourcing and recruitment services also decreased by RM1.08 million or - 56%** (Q12024:RM0.86 million, Q12023:RM1.94 million) as a result of **lower contribution from outsourcing contract and placement services**.

The Group’s **LBT of RM1.36 million for Q12024** as compared to **LBT RM1.78 million in the Q12023**, representing a **lower LBT of RM0.42 million or -23%**.

For the current quarter under review, the decrease in LBT was **mainly due to the following**: -

- Increased in other operating income by RM0.10 million** as a result of increased in foreign exchange gain.
- Increased in fair value gain on investment in quoted shares by RM0.32 million**, as compared the current quarter’s gain of RM0.14 million to the Q12023’s loss of RM0.18 million.
- Decreased in amortisation and depreciation cost by RM0.27 million** due to absence of amortisation of intangible assets.

However, decrease in LBT was **partially offset by lower gross profit of RM0.29 million** as a result of decreased revenue for the quarter under review as explained above.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2023**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** of financial performance of the Group for the current quarter (“Q12024”) ended 30 September 2023 with preceding quarter (“Q42023”) ended 30 June 2023.

| Descriptions | INDIVIDUAL QUARTER ENDED | | VARIANCE | |
|---------------------------|--------------------------|------------|----------|------|
| | 30/09/2023 | 30/06/2023 | | |
| | Q12024 | Q42023 | | |
| | RM'000 | RM'000 | RM'000 | % |
| | Unaudited | Audited | | |
| Revenue | 9,184 | 7,923 | 1,261 | 16% |
| (Loss) Before Tax ("LBT") | (1,369) | (2,785) | 1,416 | -51% |

The current Q12024's recorded revenue of **RM9.18 million** as compared to **RM7.92 million** in the preceding Q42023, the Group reported increase revenue by **RM1.26 million or +16%**.

The increase in revenue was **mostly attributed** from **hardware, software and professional services** increased by **RM1.26 million or +18%** (Q12024:RM8.32 million, Q42023:RM7.06 million) **due to higher contribution from hardware project sales order.**

The Group's **LBT** of **RM1.36 million** for **Q12024** as compared to **LBT** of **RM2.78 million** in the **Q42023**, representing a lower **LBT** of **RM1.42 million or -51%**

The decrease in LBT was **mainly due to the following:** -

- Higher gross profit** of **RM0.19 million** as a result of increased revenue as explained above.
- Increased in fair value gain** on investment in quoted shares by **RM0.32 million**, as compared the current quarter's gain of RM0.14 million to the Q42023's loss of RM0.18 million.
- Decreased in other operating expenses** by **RM0.70 million** due to absence of impairment of intangible assets and foreign exchange loss.
- Decreased in amortisation** and depreciation cost by **RM0.23 million** due to absence of amortisation of intangible assets.

B3. Commentary on Prospects

The Group observed the market conditions, in light of the government's resolute push towards the Digital Economy, our Group anticipates a positive upswing in government spending over the next few years. Conversely, the prevailing sentiment in the private sector leans towards fiscal prudence in the foreseeable future, the Group anticipate the ICT spenders will likely to come from the government sector, and for private sector will be spending more on essential services such as cyber security services.

Premised on the above and coupled with the marked acceleration in the adoption of digitalisation, the Group remains focused on executing its strategies to achieve better financial performance through strengthens its products and services to meet the current requirements and needs of the market. Barring any unforeseen circumstances, our Board of Directors is confident that the group will weather oncoming challenges and is cautiously positive about the group's prospects for the next financial year.

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2023**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

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-Sep-2023 | 30-Sep-2022 | 30-Sep-2023 | 30-Sep-2022 |
| | Unaudited | Unaudited | Unaudited | Audited |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| i) Cost of sales | | | | |
| Lease liabilities interest | 0 | 30 | 0 | 30 |
| ii) Finance costs | | | | |
| Lease liabilities interest | 15 | 18 | 15 | 18 |
| Bank overdraft interest | 70 | 72 | 70 | 72 |
| Total Interest expenses | 85 | 120 | 85 | 120 |

B7. Comparative figures

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

| Statement of profit or loss | As previously classified | Reclassification | As reclassified |
|--|--------------------------|------------------|-----------------|
| | RM'000 | RM'000 | RM'000 |
| For 3 months financial period ended 30 September 2022 | | | |
| Cost of sales | (15,264) | (170) | (15,434) |
| Fair value gain/(loss) on investment in quoted shares | - | (177) | (177) |
| Other operating expenses | (1,022) | 347 | (675) |

B8. Corporate Proposals

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

Unaudited Quarterly Financial Report For The First Quarter Ended 30 September 2023**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B9. Borrowings and Debt Securities**

Details of the Group's borrowings as at 30 September 2023 are as follows: -

| | As at 30/9/2023 (RM'000) |
|---------------------|---|
| Current: | |
| Bank overdraft | 3,531 |
| Lease Liabilities | 579 |
| | 4,110 |
| Non-Current: | |
| Lease Liabilities | 585 |
| | 585 |
| Total | 4,695 |

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 RM1.367 million for the current quarter under review and net loss attributable to the owners of RM1.367 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 |
|---|----------------------------------|-------------------------------------|
| | 30/9/2023 | 30/9/2023 |
| | Unaudited | Unaudited |
| Loss attributable to ordinary equity holders of the parent (RM'000) | (1,367) | (1,367) |
| Weighted Average Number of Ordinary Shares | 843,796,423 | 843,796,423 |
| Basic profit per share (sen) | (0.16) | (0.16) |

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 2023**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**

- 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 to date is as follows: -

| Purpose | Proceed raised | Actual utilisation | Unutilised proceed | Initial Timeframe for utilisation of proceeds (1) | Revised Timeframe for utilisation of proceeds (2) |
|---|----------------|--------------------|--------------------|---|---|
| | RM'000 | RM'000 | RM'000 | | |
| IT contracts and /or orders | 4,175.00 | (4,175.00) | - | Within 18 months | |
| Business expansion (2) | 1,500.00 | (85.00) | 1,415.00 | Within 18 months (1) | Within 54 months (2) |
| Expenses in relation to the Private Placement | 200.00 | (200.00) | - | Within 1 months | |
| Total | 5,875.00 | (4,460.00) | 1,415.00 | | |

Notes:

- (1) From 26 March 2020 and 22 May 2020, date of listing of the Previous Placement Shares.
- (2) The business expansion to the South East Asia region has been approved by the Board for extension of timeframe to allow the Company to have additional time to utilise the balance of the proceeds as a result of the pandemic impacts.