

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		6 months ended	
		31/12/2023 RM'000 (Unaudited)	31/12/2022 RM'000 (Audited)	31/12/2023 RM'000 (Unaudited)	31/12/2022 RM'000 (Audited)
Continuing Operations					
Revenue	B1&B2	11,671	15,131	20,855	31,535
Less: Cost of sales	B6	(10,870)	(13,899)	(19,372)	(29,333)
Gross Profit		801	1,232	1,483	2,202
Other operating income		24	41	140	61
Fair value gain/(loss) on investment in quoted shares	B7	(176)	106	(35)	(71)
Employee benefits		(823)	(994)	(1,716)	(1,811)
Key management personnels's remuneration		(529)	(459)	(1,058)	(963)
Depreciation & amortisation		(222)	(464)	(445)	(963)
Other operating expenses	B7	(693)	(1,010)	(1,271)	(1,697)
(Loss) from operations		(1,618)	(1,548)	(2,902)	(3,242)
Finance costs	B6	(82)	(86)	(167)	(176)
(Loss) before taxation	B1, B2	(1,700)	(1,634)	(3,069)	(3,418)
Income tax recover /(expenses)	B5	-	-	-	-
(Loss) for the period		(1,700)	(1,634)	(3,069)	(3,418)
Other Comprehensive income					
- Currency translation difference not recognised in income statement		-	-	-	-
Total comprehensive Profit / (loss) for the period		(1,700)	(1,634)	(3,069)	(3,418)
(Loss) Attributable to:					
Owner of the Parent		(1,691)	(1,632)	(3,058)	(3,412)
Non-controlling interest		(9)	(2)	(11)	(6)
		(1,700)	(1,634)	(3,069)	(3,418)
Total comprehensive Profit / (Loss) attributable to :					
Owner of the Parent		(1,691)	(1,632)	(3,058)	(3,412)
Non-controlling interest		(9)	(2)	(11)	(6)
		(1,700)	(1,634)	(3,069)	(3,418)
Profit / (loss) per share (sen)					
- Basic	B12	(0.20)	(0.19)	(0.36)	(0.40)
- Diluted	B12	(0.20)	(0.19)	(0.36)	(0.40)

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 SECOND QUARTER ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As At 31/12/2023 RM'000	Audited As At 30/06/2023 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		709	799
Right of use assets		940	1,293
Goodwill on consolidation		1,154	1,154
Other Investments		424	459
Total Non-current Assets		3,227	3,705
Current Assets			
Trade receivables		8,713	5,207
Other receivables, deposits and prepayments		834	2,117
Lease receivables		-	-
Inventory		8,491	5,621
Current tax asset		316	301
Fixed deposits with licensed banks		4,264	7,009
Cash and bank balances		859	4,117
Total Current Assets		23,477	24,372
Total Assets		26,704	28,077
Equity and Liabilities			
Share capital		58,630	58,630
Capital Reserve		-	-
Accumulated (losses)		(41,311)	(38,253)
Non controlling interest		(40)	(29)
Total Equity		17,279	20,348
Non-current Liabilities			
Lease Liabilities	B9	159	661
Total Non-current Liabilities		159	661
Current Liabilities			
Trade payables		3,668	1,918
Other payables & accruals		1,591	1,172
Bank overdraft		3,132	3,314
Lease Liabilities	B9	824	664
Deferred Income		51	-
Total Current Liabilities		9,266	7,068
Total Liabilities		9,425	7,729
Total Equity and Liabilities		26,704	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 SECOND QUARTER ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Note	Period ended 31/12/2023 Unaudited RM'000	Year ended 30/06/2023 Audited RM'000
Cash flows from/(for) operating activities			
Loss before taxation:		(3,069)	(7,924)
Adjustment for:-			
Amortisation of intangible assets - included discontinued operations		-	956
Depreciation of property, plant and equipment & right of use assets		446	930
Interest income		(58)	(136)
Finance income lease receivables		-	(14)
Lease liabilities interest expense	B6	31	115
Bank Overdraft interest expense		136	270
Fair value (gain) / loss on investment in quoted shares		35	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		(2,479)	(4,666)
(Increase)/ Decrease in trade and other receivables		(2,223)	5,987
Increase/ (Decrease) in trade and other payables		2,170	459
Increase/ (Decrease) in deferred income		51	(64)
(Increase)/ Decrease in inventory		(2,870)	(2,031)
Cash flows from/(for) operating activities		<hr/> (5,351)	<hr/> (315)
Interest income		58	136
Bank overdraft interest expense		(136)	(270)
Lease liabilities interest expense		(31)	(115)
Taxation refund		-	78
Taxation paid		(15)	(44)
Net cash from/(for) operating activities		<hr/> (5,475)	<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		(343)	(3,161)
Net cash from/(for) financing activities		<hr/> (343)	<hr/> (3,161)
Net increase/(decrease) in cash and cash equivalents		<hr/> (5,821)	<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/> 1,991	<hr/> 7,812
<u>Cash and cash equivalents at the end of the financial period comprises the following :-</u>			
Fixed deposits with licensed banks		4,264	7,009
Cash and bank balances		859	4,117
Bank overdraft		(3,132)	(3,314)
		<hr/> 1,991	<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 SECOND QUARTER ENDED 31 DECEMBER 2023**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to Equity Holders of the Company →				
	← Non-Distributable →				
	Share Capital RM'000	Accumulated Losses RM'000	Attributable to owners of the Company RM'000	Non-Controlling Interest RM'000	Total Equity 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	-	(3,058)	(3,058)	(11)	(3,069)
	-	(3,058)	(3,058)	(11)	(3,069)
Balance at 30 June 2024	<u>58,630</u>	<u>(41,311)</u>	<u>17,319</u>	<u>(40)</u>	<u>17,279</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 Second Quarter Ended 31 December 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 Second Quarter Ended 31 December 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 Second Quarter Ended 31 December 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 31 December 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		11,028	643	-	-	-	11,671
Intersegment sales		10	4	-	215	(229)	-
		11,038	647	-	215	(229)	11,671
Segment results							
Interest Income		9	13	-	103	(102)	23
Interest expenses	B6	130	44	-	10	(102)	82
Depreciation & amortisation		89	1	-	132	-	222
Income Tax recover /(expenses)		-	-	-	-	-	-
Segment profit/(loss) after tax		(295)	(111)	(94)	(1,200)	-	(1,700)
Year to date Ended 31 December 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		19,349	1,506	-	-	-	20,855
Intersegment sales		12	7	-	430	(449)	-
		19,361	1,513	-	430	(449)	20,855
Segment results							
Interest Income		17	26	-	216	(201)	58
Interest expenses	B6	261	83	-	24	(201)	167
Depreciation & amortisation		180	2	1	262	-	445
Income Tax recover /(expenses)		-	-	-	-	-	-
Segment profit/(loss) after tax		(754)	(133)	(187)	(1,995)	-	(3,069)

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 Second Quarter Ended 31 December 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 Second Quarter Ended 31 December 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 (“Q22024”)** ended 31 December 2023 with the **preceding year’s corresponding quarter (“Q22023”)** ended 31 December 2022.

Descriptions	INDIVIDUAL QUARTER ENDED		Changes		CUMULATIVE 2 QUARTERS ENDED		Changes	
	31/12/2023	31/12/2022			31/12/2023	31/12/2022		
	Q22024	Q22023	CY2024	PY2023				
	RM'000	RM'000	RM'000	RM'000				
	Unaudited	Audited	RM'000	%	Unaudited	Audited	RM'000	%
Revenue	11,671	15,131	(3,460)	-23%	20,855	31,535	(10,680)	-34%
(Loss) Before Tax ("LBT")	(1,700)	(1,634)	(66)	4%	(3,069)	(3,418)	349	-10%

For the **Q22024’s** revenue of **RM11.67 million** as compared to the **Q22023’s** revenue of **RM15.13 million**, the Group recorded a **lower revenue of RM3.46 million or -23%**.

For **CY2024**, the revenue decreased by **RM10.68 million or -34%** to **RM20.86 million** from **RM31.53 million PY2023**.

Lower revenue was generated from **the hardware, software and professional services** for both the quarterly and year-to-date under review (Q22024:RM11.03 million, Q22023:RM13.53 million) (CY2024:RM19.35 million, PY2023:RM27.99 million) mainly attributed to **lower contribution from hardware project sales orders arising from softer market sentiment**.

Lower revenue was generated from the **manpower outsourcing and recruitment services** for both the quarterly and year-to-date under review (Q22024:RM0.64 million, Q22023:RM1.60 million) (CY2024:RM1.50 million, PY2023:RM3.55 million) mainly attributed to **lower contribution from outsourcing contracts and placement services arising from lower contract value from foreign companies and local placement services**.

For **quarterly review**, the Group’s **LBT** of **RM1.70 million** for **Q22024** as compared to **LBT RM1.63 million** in the **Q22023**, representing a **higher LBT of RM0.07 million or +4%**. The increase in LBT was mainly due to the decrease in gross profit as a result of lower revenue and increased in fair loss on investment in quoted shares, which was partially offset by lower depreciation & amortisation costs, lower employment benefits and key management remuneration and lower other operating expenses.

For the **year-to-date under review**, the Group reported a **lower LBT of RM3.07 million** as compared to **LBT RM3.42 million in the PY2023**, representing a **decrease in LBT of RM0.35 million or -10%**. The decrease in LBT was mainly due to **lower depreciation & amortisation costs and lower other operating expenses**, but was partially offset by the decrease in gross profit as a result of lower revenue.

Unaudited Quarterly Financial Report For The Second Quarter Ended 31 December 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 (“Q22024”) ended 31 December 2023 with preceding quarter (“Q12024”) ended 30 September 2023.

Descriptions	INDIVIDUAL QUARTER ENDED		VARIANCE	
	31/12/2023 Q22024	30/09/2023 Q12024		
	RM'000	RM'000	RM'000	%
	Unaudited	Audited		
Revenue	11,671	9,184	2,487	27%
(Loss) Before Tax ("LBT")	(1,700)	(1,369)	(331)	24%

The current Q22024's recorded revenue of **RM11.67 million** as compared to **RM9.18 million** in the preceding Q12024, the Group reported increase revenue by **RM2.49 million or +27%**.

The increase in revenue was **mostly attributed** from **hardware, software and professional services** increased by **RM2.70 million or +33%** (Q22024:RM11.03 million, Q12024:RM8.32 million) **due to higher contribution from hardware project sales order compared to preceding quarter**.

The Group's **LBT of RM1.70 million** for **Q22024** as compared to **LBT of RM1.37 million** in the **Q12024**, representing a higher **LBT of RM0.33 million or +51%**.

The increase in LBT was mainly **due to the increased in fair loss on investment in quoted shares** by RM0.32 million, as compared the current quarter's loss of RM0.17 million to the Q12024's gain of RM0.14 million.

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 Second Quarter Ended 31 December 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	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
i) Cost of sales				
Lease liabilities interest	0	12	0	42
ii) Finance costs				
Lease liabilities interest	16	18	31	36
Bank overdraft interest	66	68	136	140
Total Interest expenses	<u>82</u>	<u>98</u>	<u>167</u>	<u>218</u>

Unaudited Quarterly Financial Report For The Second Quarter Ended 31 December 2023**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 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 31 December 2022			
Fair value gain/(loss) on investment in quoted shares	-	106	106
Other operating expenses	(904)	(106)	(1,010)

Statement of profit or loss	As previously classified	Reclassification	As reclassified
	RM'000	RM'000	RM'000
For 6 months financial period ended 31 December 2022			
Cost of sales	(29,163)	(170)	(29,333)
Other operating income	50	11	61
Fair value gain/(loss) on investment in quoted shares	-	(71)	(71)
Other operating expenses	(1,927)	230	(1,697)

B8. Corporate Proposals

There are 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 31 January 2024 and 6 February 2024 announced that the Company proposed to undertake the following: -

- i) Proposed reduction of RM42 million of the issued share capital of the Company pursuant to Section 116 of the Companies Act 2016 ("Act") ("**Proposed Capital Reduction**"); and
- ii) Proposed private placement of up to 84,379,642 new ordinary shares of the Company ("TDEX Shares"), representing not more than 10% of the total number of issued TDEX Shares ("**Proposed Private Placement**").

The above proposals have yet to receipt of all relevant approvals.

Unaudited Quarterly Financial Report For The Second Quarter Ended 31 December 2023**B9. Borrowings and Debt Securities**

Details of the Group's borrowings as at 31 December 2023 are as follows: -

	As at 31/12/2023 (RM'000)
Current:	
Bank overdraft	3,132
Lease Liabilities	824
	3,956
Non-Current:	
Lease Liabilities	159
	159
Total	4,115

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 RM1.691 million for the current quarter under review and net loss attributable to the owners of RM3.058 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
	31/12/2023	31/12/2023
	Unaudited	Unaudited
Loss attributable to ordinary equity holders of the parent (RM'000)	(1,691)	(3,058)
Weighted Average Number of Ordinary Shares	843,796,423	843,796,423
Basic profit per share (sen)	(0.20)	(0.36)

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 Second Quarter Ended 31 December 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.