

MYKRIS INTERNATIONAL BERHAD 200801009751 (811039-T) (Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY MYKRIS INTERNATIONAL BERHAD ("MYKRIS" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Group	
	Unaudited 30.09.2021 RM'000	Audited 31.3.2021 RM'000
ASSETS NON-CURRENT ASSETS		
Property and equipment	12,485	12,051
Investment in associate company	-	546
Investment properties Goodwill on consolidation	496 6,829	499 6,829
Right of use assets	1,832	2,269
Deferred tax assets	615	615
	22,257	22,809
CURRENT ASSETS Trade receivables	5,775	5,529
Other receivables, deposits and prepayments	2,027	2,253
Contract assets	204	104
Amount owing by an associate company	-	39
Current tax assets	162	45
Short term investment	13,566	13,972
Fixed deposit with a licensed bank	1,258	1,235
Cash and bank balances	14,409	13,435
	37,401	36,612
TOTAL ASSETS	59,658	59,421



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

EQUITY AND LIABILITIES	Unaudited 30.09.2021 RM'000	Audited 31.3.2021 RM'000
EQUITY		
Share capital	21,000	21,000
Retained profits	26,787	25,837
TOTAL EQUITY	47,787	46,837
NON-CURRENT LIABILITIES	5,328	5,538
Lease liability	195	747
	5,523	6,285
CURRENT LIABILITIES Trade payables Other payables and accruals Term loan-current Provision for taxation Contract liabilities Lease liability	2,070 1,782 421 50 578 1,447 6,348	857 2,903 421 317 580 1,221 6,299
TOTAL LIABILITIES	11,871	12,584
TOTAL EQUITY AND LIABILITIES	59,658	59,421
NET ASSETS PER SHARE (RM)	0.16	0.16

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.



(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED ("FPE") 30 SEPTEMBER 2021

	Individual 6 months ended		Cumulative enc	e 6 months led
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
REVENUE	22,183	21,084	22,183	21,084
COST OF SALES	(10,406)	(9,001)	(10,406)	(9,001)
GROSS PROFIT	11,777	12,083	11,777	12,083
OTHER OPERATING INCOME	262	191	262	191
	12,039	12,274	12,039	12,274
ADMINISTRATIVE EXPENSES SELLING AND DISTRIBUTION	(4,765)	(3,927)	(4,765)	(3,927)
EXPENSES	(769)	(559)	(769)	(559)
OTHER OPERATING EXPENSES	(1,061)	(844)	(1,061)	(844)
FINANCE COSTS	(13)	(25)	(13)	(25)
PROFIT BEFORE TAXATION AND SHARE OF RESULT	5,431	6,919	5,431	6,919
SHARE OF RESULT OF ASSOCIATE				
COMPANY	(35)	(9)	(35)	(9)
PROFIT BEFORE TAXATION	5,396	6,910	5,396	6,910
INCOME TAX EXPENSE	(1,446)	(1,703)	(1,446)	(1,703)
PROFIT AFTER TAXATION	3,950	5,207	3,950	5,207
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	3,950	5,207	3,950	5,207
PROFIT AFTER TAXATION ATTRIBUTABLE TO:- Owners of the Company	3,950	5,207	3,950	5,207
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	3,950	5,207	3,950	5,207
EARNINGS PER SHARE(SEN)	4.00	4 74	1.00	4 74
-Basic/Diluted	1.32	1.74	1.32	1.74

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 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.



UNAUDITED CONDENSED CONSOLIDATEDSTATEMENT OF CHANGES IN EQUITY FOR THE FPE 30 SEPTEMBER 2021

	Share Capital RM'000	Retained Earning RM'000	Attributable to owners of the Company RM'000	Total Equity RM'000
Balance at 1.4.2020	21,000	23,428	44,428	44,428
Total comprehensive income for the financial period	-	5,207	5,207	5,207
Contributions by and distributions to owners of the Company - Dividends	-	(3,000)	(3,000)	(3,000)
Balance at 30.09.2020	21,000	25,636	46,636	46,636
Balance at 1.4.2021	21,000	25,837	46,837	46,837
Total comprehensive income for the financial period	-	3,950	3,950	3,950
Contributions by and distributions to owners of the Company - Dividends	-	(3,000)	(3,000)	(3,000)
Balance at 30.09.2021	21,000	26,787	47,787	47,787

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30 **SEPTEMBER 2021**

	The Group	
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES	30.09.2021 RM'000	30.09.2020 RM'000
Profit before taxation	5,396	6,910
Adjustments for:-		
Depreciation of property and equipment	1,255	1,285
Depreciation of right of use assets	684	710
Depreciation of investment properties	3	4
Impairment losses on investment in associate company	541	-
Impairment losses on receivables	42	184
Impairment losses on trade receivables no longer required	-	(1)
Interest expense	7	7
Share of result of an associate	35	9
Interest income	(171)	(112)
Operating profit/(loss) before working capital changes	7,792	8,996
(Increase) /Decreasein trade and other receivables	(19)	(273)
(Decrease)/ Increase in trade and other payables	573	464
(Decrease)/Increase in net contract liabilities	(102)	20
CASH FROM/(FOR) OPERATIONS	8,244	9,207
Interest paid	(7)	(7)
Income tax paid/(refund)	(1,875)	(667)
NET CASH FROM OPERATING ACTIVITIES	6,362	8,533



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FPE 30 SEPTEMBER 2021 (CONT'D)

	The Group	
	30.09.2021 RM'000	30.09.2020 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	171	112
Additional investment	-	(841)
Additional to right-of-use assets	(247)	-
Placement of fixed deposit pledge with a licensed bank	(23)	-
Purchase of property and equipment	(1,688)	(1,387)
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(1,787)	(2,116)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(3,000)	(3,000)
Draw down of lease liability	-	426
Repayment of lease liabilities	(805)	(452)
Repayment of term loan	(211)	(218)
NET CASH FOR FINANCING ACTIVITIES	(4,016)	(3,244)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	9	40
NET INCREASE IN CASH AND CASH EQUIVALENTS	568	3,213
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	27,407	23,980
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	27,975	27,193

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2021

A1. BASIS OF PREPARATION

The unaudited interim financial statements of MyKRIS International Berhad ("**MyKRIS**" or the "**Company**") and its subsidiaries, MyKRIS Net (MSC) Sdn Bhd and MyKRIS Asia Sdn Bhd (collectively, the "**Group**") are prepared under the historical cost convention modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("**MFRSs**"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, as well as Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

1.1 During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

Amendments/Improvements to	o MFRSs
MFRS 4, 7, 9, 16 and 139	Interest Rate Benchmark Reform – Phase 2
MFRS 16	Covid-19 – Related Rent Concessions

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

1.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

		Effective for the financial period beginning on or after
New MFRSs		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Impr	ovements to MFRSs	
MFRS 1, 9, 16 and 141	Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
MFRS 3	Reference to the Conceptual Framework	1 January 2022
MFRS 10 and 128	Sales or Contribution of Assets between an Investor and its Associate of Joint Venture	Deferred
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
MFRS 108	Definition of Accounting Estimates	1 January 2023
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
MFRS 116	Property, Plant and Equipment Proceed before Intended Use	1 January 2022
MFRS 137	Onerous Contract – Cost of Fulfilling a Contract	1 January 2022



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2021 (CONT'D)

A1. BASIS OF PREPARATION (CONT'D)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the preceding audited financial statements of the Group for the FYE 31 March 2021 were not subject to any qualification.

A3. SEASONAL OR CYCLICAL FACTORS

We receive stable monthly subscriptions from our customers and hence, do not experience any material seasonality in our business.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the FPE 30 September 2021 except as otherwise disclosed.

A5. CHANGES IN CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There were no material changes in critical accounting estimates and judgments during the FPE 30 September 2021.

A6. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayments of debt and equity security in the 6-month FPE 30 September 2021.



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2021 (CONT'D)

A7. DIVIDENDS PAID

The details of dividends paid during the FPE 2021 (and corresponding FPE 2020) are set out as follows:-

	Unaudited 6 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000
Declared :-		
Second interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2020 which was paid on 22 July 2020 (based on 300,000,000 MyKRIS Shares)	-	3,000
Second interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 March 2021 which was paid on 29 Jun 2021 (based on 300,000,000 MyKRIS Shares)	3,000	-
-	3,000	3,000

A8. OPERATING SEGMENTS

8.1 Business activities

The Group is primarily a managed network service provider, specialising in the provision of managed Internet and Intranet network services to enterprises. The Group's principal activities include the following segments:-

- (i) **Managed network services**: Provision of high speed wireless and wired network services, and international leased circuit to enterprises.
- (ii) **Project-based revenue**: Design, installation and commission of network infrastructure on turnkey (ad-hoc) basis.
- (iii) **IT-based products and services**: Sale and installation of network equipment, hardware and software, web-based application software and server co-location and hosting services.



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2021 (CONT'D)

A8. OPERATING SEGMENTS (CONT'D)

8.1 Business activities (Cont'd)

The Group's revenue based on its activities is presented as follows:

	Unau 6 month	ıdited s ended
	30.09.2021 RM'000	30.09.2020 RM'000
Managed network services	19,849	20,347
IT-based products and services	2,334	737
	22,183	21,084

8.2 Geographical markets

The Group's revenue is derived mainly from local markets, primarily Klang Valley and Penang, which contributed approximately 96.2% of the Group's revenue for FPE 30 September 2021 (FPE 30 September 2020: 96.2%).

	Cumulative 6	Cumulative 6 months ended FYE 30 September		
	2021		2020	
	RM'000	%	RM'000	%
Local				
- Klang Valley	17,960	81.0%	17,392	82.5%
- Penang	1,397	6.3%	1,260	6.0%
- Others	1,988	9.0%	1,633	7.7%
	21,345	96.2%	20,285	96.2%
Overseas	838	3.8%	799	3.8%
Total revenue	22,183	100.0%	21,084	100.0%



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2021 (CONT'D)

A9. PROFIT BEFORE TAXATION

	Unaudited 6 months ended	
	30.09.2021	30.09.2020
Profit before taxation is arrived:-	RM'000	RM'000
Auditor's remuneration:		
- audit fee	43	41
Allowance for doubtful debt	42	184
Depreciation of property and equipment	1,255	1,285
Depreciation of right of use of assets	684	710
Depreciation of investment properties	3	4
Directors' fee	63	63
Directors' non-fee emoluments	366	315
Interest expense:		
- hire purchase interest	7	2
- lease liabilities	2	5
Impairment loss for investment in associate companies	541	_
Staff costs:		
- salaries, allowance, bonuses and overtime	2,406	2,133
- defined contribution plan	333	272
- other benefits	99	66
After crediting:-		
Interest income	(171)	(112)
Realised (gain)/ loss on foreign exchange	(171)	40
Write-back of impairment losses on receivables		(1)

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation on property, plant and equipment done during the FPE 30 September 2021.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the 6-months FPE 30 September 2021.

A12. CAPITAL COMMITMENTS

There were no material capital commitments as at 30 September 2021.



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 SEPTEMBER 2021 (CONT'D)

A13. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent assets and liabilities as at 30 September 2021.

A14. SIGNIFICANT EVENTS OCCURING AFTER REPORTING PERIOD

Save for the Proposed Disposal and Proposed Withdrawal of Listing as set out in **Section C1** below, there were no material events subsequent to the end of the reporting that have not been reflected in the financial statements.

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B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

(A) Comparison between current 6 months financial period ("1H FYE2022") and the immediate preceding 6 months financial period ("2H FYE2021")

Group revenue increased by RM1.47 million or 7.10% from RM20.71 million in 2H FYE2021 to RM22.18 million in 1H FYE2022. The increase is due to higher sales generated from IT-based products mainly comprising of cyber security sales and services.

Profit before tax ("**PBT**") increased by RM0.15 million or 2.86% from RM5.25 million in 2H FYE2021 to RM5.40 million in 1H FYE2022. The increase of PBT is due to lower impairment loss for doubtful debt.

(B) Comparison between current 6 months financial period ("1H FYE2022") and the preceding year 6 months financial period ("1H FYE2021")

Overall performance

The Group's revenue increased by RM1.10 million or 5.22% from RM21.08 million in 1H FYE2021 to RM22.18 million in 1H FYE2022.

The increase is due to new customer service contract and higher revenue from IT-based product which is mainly comprised of cyber security sales and services.

PBT decreased by RM1.51 million or 21.85% from RM6.91 million in 1H FYE2021 to RM5.40 million in 1H FYE2022. This is mainly due to lower margin from trading product revenue, higher administrative expenses and higher impairment loss on investment in associate company.

Managed Network Segment

Revenue from managed networks services segment decreased from RM20.35 million in 1H FYE2021 to RM19.85 million in 1H FYE2022, primarily due to contract termination, temporary suspension and lower revenue from hotel and hospitality customers.

IT-based Product and Services Segment

Revenue from IT-based products and services segment increased from RM0.74 million in 1H FYE2021 to RM2.33 million in 1H FYE2022, primarily due to higher cyber security sales and services during 1H FYE2022.



B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS (CONT'D)

B2. COMMENTARY ON PROSPECTS

The businesses of our SME and hospitality customers continued to be badly affected by Covid-19 pandemic. As more and more States in Malaysia are recovering from the pandemic, we expect the revenue from hotel and hospitality sector will rebound in the near future.

Meanwhile, we will remain focused on our main customer base, comprising niche high value enterprises, and will continue to enhance our product offerings and value added services. We will continue to engage with our customers to understand their needs so that our products and services are bundled at competitive prices. Due to the acceleration of digital transformation during the pandemic, the demand for cyber security services are getting more prevalent so as to protect their online services and transactions data from cyber-attacks. We foresee the demand for such services will increase and we are already actively expanding our market coverage and penetration in this respect. In so doing, we hope to grow and maintain our market position in the highly competitive industry in which we operate.

Barring unforeseen circumstances, the Board of Directors of the Company is of the opinion that the prospects of the Group for the financial year ending 31 March 2022 will remain favourable in line with the gradual recovery of the Malaysia economy.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

C OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced as at the date of this report:-

(i) On 13 October 2021, the Board announced that MyKRIS and MyKRIS Net (MSC) Sdn Bhd had, on even date, entered into a conditional share purchase agreement ("SPA") with Maxis Broadband Sdn Bhd ("Maxis Broadband") for the disposal of the entire equity interest in MyKRIS Asia Sdn Bhd ("MyKRIS Asia"), comprising 2,000,000 ordinary shares in MyKRIS Asia to Maxis Broadband for a total consideration to be satisfied entirely in cash, comprising a base consideration of up to RM115.0 million, and subsequent payments of up to RM42.5 million upon certain revenue targets being achieved ("Proposed Disposal"). The Proposed Disposal is subject to, amongst others, approval from the shareholders of MyKRIS being obtained; and



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C OTHER INFORMATION (CONT'D)

C1. STATUS OF CORPORATE PROPOSALS (CONT'D)

(ii) On 2 November 2021, the Board announced that in conjunction with the Proposed Disposal, Chew Choo Soon and Chang Wai Hoong (collectively referred to as the "Promoters" or "Joint Offerors") had, vide their letter dated 2 November 2021 ("Proposal Letter"), requested the Board to undertake a voluntary withdrawal of MyKRIS' listing from the Official List of the LEAP Market of Bursa Securities, taking into consideration Rule 6.06(2)(b) of the LEAP Market Listing Requirements ("Proposed Withdrawal of Listing") The Proposed Withdrawal of Listing is subject to, amongst others, approval from the shareholders of MyKRIS being obtained.

C2. MATERIAL LITIGATION

The Board is not aware of any proceedings/ material litigations pending or threatened against the Group as at the date of this report.

C3. EARNING PER SHARE

Basic/ Diluted earnings per share is calculated by dividing the profit for the FPE attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

	Unaudited 6 months ended	
Net profit for the financial period attributable to ordinary	30.09.2021	30.09.2020
equity holders (RM'000)	3,950	5,207
Weighted average number of ordinary shares in issue ('000)	300,000	300,000
Basic / Diluted EPS (sen)	1.32	1.74

C4. DIVIDENDS

No dividend has been declared for the FPE 30 September 2021.

This report is dated 22 November 2021