



RTS TECHNOLOGY HOLDINGS BERHAD

(Registration No. 201901002350 (1311676-A))

(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE
2ND HALF-YEAR ENDED 31 DECEMBER 2022**

**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 AND 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 US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND HALF YEAR ENDED 31 DECEMBER 2022

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.12.2022 ⁽¹⁾ Unaudited RM'000	31.12.2021 Restated RM'000	31.12.2022 ⁽¹⁾ Unaudited RM'000	31.12.2021 Restated RM'000
Revenue	7,409	9,840	11,150	12,802
Cost of sales	(3,275)	(5,252)	(4,116)	(6,503)
Gross profit	4,134	4,588	7,034	6,299
Other operating income	178	54	354	120
Administrative expenses	(2,887)	(2,398)	(5,198)	(4,959)
Other operating expenses	(321)	(276)	(332)	(274)
Share of result of an associate company	(581)	(44)	204	(42)
Finance costs	(124)	(138)	(228)	(235)
Profit before tax	399	1,786	1,834	909
Tax expense	(248)	(457)	(647)	(477)
Profit for the financial period	151	1,329	1,187	432
Other comprehensive loss	(6)	(46)	(40)	(22)
Total comprehensive profit for the financial period	145	1,283	1,147	410
Profit for the financial period attributable:				
- Owners of the Company	151	1,329	1,187	432
Total comprehensive profit for the financial period attributable to:				
Owners of the Company	145	1,283	1,147	410
Profit per ordinary share (sen) ⁽²⁾				
- Basic	0.12	1.07	0.95	0.35
- Diluted	N/A	N/A	N/A	N/A

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended ("FYE") 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) Earnings per share is computed based on the Company's total number of issued shares of 124,404,208 as at the end of the respective reporting period.

N/A Not applicable

RTS TECHNOLOGY HOLDINGS BERHAD
Registration No: 201901002350 (1311676-A)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	UNAUDITED As at 31.12.2022⁽¹⁾ RM'000	RESTATED As at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,399	1,388
Right-of-use assets	745	539
Investment in associate company	1,255	1,091
Deferred tax assets	107	46
Other investment	647	633
	4,153	3,697
Current assets		
Trade receivables	9,868	7,273
Other receivables, deposits and prepayments	462	387
Contract assets	669	3,920
Tax recoverable	140	133
Deposits with licensed banks	1,555	1,996
Cash and bank balances	3,070	2,989
	15,764	16,698
TOTAL ASSETS	19,917	20,395
EQUITY AND LIABILITIES		
Equity		
Share capital	13,526	13,526
Retained profits	8,433	7,557
Merger reserve	(8,245)	(8,245)
Foreign exchange reserve	169	209
Total equity attributable to owners of the Group	13,883	13,047
Non-current liabilities		
Hire purchase payables	537	374
Lease liabilities	41	55
Term loans	949	1,345
	1,527	1,774
Current liabilities		
Trade Payables	1,023	2,798
Other payables, deposits received and accruals	813	386
Contract liabilities	41	223
Hire purchase payables	204	122
Lease liabilities	50	37
Term loans	437	464
Bankers' acceptance	1,192	937
Bank overdrafts	586	466
Provision for taxation	161	141
	4,507	5,574
Total liabilities	6,034	7,348
TOTAL EQUITY AND LIABILITIES	19,917	20,395
Net asset per share (RM) ⁽²⁾	0.11	0.10

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Group's total number of issued shares as at the end of the respective financial reporting period of 124,404,208.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022

	Share Capital RM'000	Merger Deficit RM'000	Foreign exchange reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Unaudited financial period ended 31 December 2022 ⁽¹⁾					
As at 1 January 2022 as previously stated	13,526	(8,245)	209	8,141	13,631
Effect of prior year adjustment	-	-	-	(584)	(584)
Restated as at 1 January 2022	13,526	(8,245)	209	7,557	13,047
Transaction with owners:					
Dividends	-	-	-	(311)	(311)
Total comprehensive income for the period	-	-	(40)	1,187	1,147
As at 31 December 2022	13,526	(8,245)	169	8,433	13,883
Restated financial year ended 31 December 2021					
As at 1 January 2021 as previously stated	12,696	(8,245)	231	7,583	12,265
Effect of prior year adjustment	-	-	-	(458)	(458)
Restated as at 1 January 2021	12,696	(8,245)	231	7,125	11,807
Transaction with owners:					
Issuance of shares	852	-	-	-	852
Shares issuance expenses	(22)	-	-	-	(22)
Total comprehensive income for the period	-	-	(22)	432	410
As at 31 December 2021	13,526	(8,245)	209	7,557	13,047

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022

	12 MONTHS ENDED	
	Unaudited 31.12.2022⁽¹⁾ RM'000	Restated 31.12.2021 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation	1,834	909
Adjustments for:		
Allowance for impairment loss in trade receivables	264	249
Depreciation of property, plant and equipment	100	83
Depreciation of right-of-use assets	265	213
Gain on disposal of right-of-use assets	(85)	-
Loss on disposal of property, plant and equipment	5	*
Unrealised (gain)/loss on fair value loss on other investment	(14)	2
Interest expenses	228	235
Interest income	(53)	(26)
Unrealised gain on foreign exchange	(18)	(34)
Waiver of lease payment	-	(2)
Share of result of an associate company	(204)	42
Operating profit before working capital changes	2,322	1,671
Increase in receivables	(2,935)	(2,204)
(Decrease)/increase in payables	(1,658)	2,628
Decrease/(Increase) in contract assets	3,251	(3,234)
(Decrease)/increase in contract liabilities	(182)	20
Cash generated/(used in) from operations	798	(1,119)
Interest paid	(220)	(228)
Interest received	53	26
Tax paid	(695)	(1,091)
Net cash used in operating activities	(64)	(2,412)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(116)	(120)
Purchase of right-of-use assets	(16)	(7)
Proceed from disposal of right-of-use assets	83	-
Proceed from disposal of property, plant and equipment	-	1
Net cash used in investing activities	(49)	(126)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Drawdown from bankers' acceptance	3,787	1,714
Drawdown from term loan	-	400
Increase in deposits pledged to licensed banks	(159)	(151)
Interest paid on lease liabilities	(8)	(7)
Repayment of lease liabilities	(48)	(37)
Proceeds from issuance of shares	-	852
Share issuance expenses	-	(22)
Repayment of hire purchase payable	(161)	(147)
Repayment of bankers' acceptance	(3,532)	(1,686)
Repayment of term loans	(423)	(827)
Net cash (used in)/generated from financing activities	(544)	89
NET DECREASE IN CASH AND CASH EQUIVALENTS	(657)	(2,449)
Effects of exchange rate	18	34
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL PERIOD	3,244	5,659
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD	2,605	3,244

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022 (CONT'D)

	12 MONTHS ENDED	
	Unaudited 31.12.2022⁽¹⁾ RM'000	Audited 31.12.2021 RM'000
Cash and cash equivalents at end of the financial period comprises:		
- Fixed deposits placed with licensed banks	1,555	1,996
- Cash and bank balances	3,070	2,989
- Bank overdrafts	(586)	(466)
	4,039	4,519
Less: Fixed deposits pledged to licensed banks	(1,434)	(1,275)
	2,605	3,244

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

* Denote amount below RM1,000

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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022

A1 Basis of Preparation

RTS Technology Holdings Berhad (“**RTS**” or the “**Company**”) was incorporated in Malaysia on 18 January 2019 as a public limited company under the Companies Act 2016. The Company’s registered office is located at Unit V3-08-06, Sunway Velocity Designer Office, Lingkaran SV, Sunway Velocity, Cheras, 55100 Kuala Lumpur. RTS was listed on the LEAP Market on 11 June 2021.

The interim financial statements of RTS and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

The unaudited interim financial statements for the 6-month FPE 31 December 2022 should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

A2 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 in the audited financial statements for the FYE 31 December 2021 of the Group, except for the adoption of the following new MFRS, Amendments to MFRSs and Annual Improvements to MFRS Standards:

a) New MFRSs adopted during the financial year

On 1 January 2022, the Group adopted the following Amendments to the Standards that are mandatory for annual periods beginning on or after 1 January 2022.

Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
- MFRS 1	
- MFRS 9	
- MFRS 141	
Amendments to MFRS 3 Business Combination Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022 (CONT'D)

A2 Significant Accounting Policies (Cont'd)

- b) The following are MFRSs, Amendments to MFRSs and IC Interpretations that have been issued by Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group:

Title	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 108: Definition of Accounting Estimates	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 Insurance Contracts)	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group is in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for the future financial years.

A3 Seasonal and Cyclical Factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

A5 Material changes in Estimates

There were no material changes in estimates that have a material effect on the financial period under review.

A6 Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the 6-month FPE 31 December 2022.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022 (CONT'D)

A7 Dividends Paid

In respect of financial year ended 31 December 2022, interim single tier dividend of RM 0.0025 per ordinary share had been declared on 14 December 2022 and paid on 6 January 2023.

A8 Segmental Reporting

The reportable segments are summarised as follows:

- (i) Analysis of revenue breakdown by product/service category

	Unaudited				Unaudited		Audited	
	Individual 6 months ended				Cumulative 12 months ended			
	31.12.2022		31.12.2021		31.12.2022		31.12.2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Design, engineering and system integration of expressway toll collection system	2,582	34.8	7,915	80.4	4,693	42.1	9,258	72.3
Sale of goods and service rendered	4,827	65.2	1,925	19.6	6,457	57.9	3,544	27.7
Total revenue	7,409	100.0	9,840	100.0	11,150	100.0	12,802	100.0

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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022 (CONT'D)

A8 Segmental Reporting (Cont'd)

(ii) Analysis of revenue breakdown by geographical locations

	Unaudited				Unaudited		Audited	
	Individual 6 months ended				Cumulative 12 months ended			
	31.12.2022		31.12.2021		31.12.2022		31.12.2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<u>Local Revenue</u>								
Malaysia	2,666	36.0	4,335	44.0	5,214	46.8	6,326	49.4
Total Local Revenue	2,666	36.0	4,335	44.0	5,214	46.8	6,326	49.4
<u>Overseas Revenue</u>								
Philippines	3,950	53.3	5,132	52.2	5,049	45.3	5,879	45.9
Myanmar	793	10.7	373	3.8	887	7.9	597	4.7
Total Overseas Revenue	4,743	64.0	5,505	56.0	5,936	53.2	6,476	50.6
Total revenue	7,409	100.0	9,840	100.0	11,150	100.0	12,802	100.0

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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022 (CONT'D)

A9 Profit before taxation

Profit before taxation is arrived after charging/(crediting):-

	Unaudited		Unaudited	Audited
	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration				
- Statutory audit				
- current year	43	43	65	48
- over provision in prior year	-	(4)	(3)	(5)
- Others	-	2	-	4
Depreciation of property, plant and equipment	51	127	100	83
Depreciation of right-of-use assets	151	17	265	213
Gain on disposal of right-of-use assets	-	-	(85)	-
Impairment of trade receivable	264	249	264	249
Loss on disposal of property, plant and equipment	-	-	5	*
(Gain)/Loss on fair value of other investment	(14)	2	(14)	2
Rental of equipment	6	-	6	2
Rental of indoor plant	1	1	2	2
Rental of office	-	4	4	16
Rental of parking lot (office)	1	3	11	10
Rental of Photostat machine	1	8	5	9
Rental of skylift	3	-	9	3
Rental of banquet room	-	-	-	2
Staff costs:				
- Allowance	67	4	105	60
- Bonus	-	5	74	73
- Employees' Provident Fund contribution	136	122	247	231
- E.I.S. contribution	1	*	2	3
- Salaries	947	895	1,803	1,780
- SOCSO contribution	16	12	26	25

* Denotes amount below RM1,000

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022 (CONT'D)

A10 Valuation of property, plant and equipment

There was no valuation on property, plant and equipment during the 6-month FPE 31 December 2022.

A11 Material Events after the End of the Reporting Period

There were no other material events subsequent to the end of the current financial period.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period, including business combinations, acquisition and disposal of subsidiaries and long-term investments, restructurings and discontinued operations.

A13 Contingent Liabilities and Contingent Assets

Save as disclosed below, there were no other contingent liabilities as at the date of this interim report.

	<u>Unaudited</u>	<u>Audited</u>
	As at 31.12.2022	As at 31.12.2021
	RM	RM
Secured		
Corporate guarantees extended to third parties	883,262	1,276,811

There were no contingent assets as at the date of this interim report.

A14 Capital Commitments

There are no material capital commitments as at the date of this unaudited interim report.

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PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“LISTING REQUIREMENTS”)

B1 Review of Performance

Comparison between current 6 months financial period (“2H FPE 2022”) and the preceding year 6 months financial period (“2H FPE 2021”)

The Group recorded revenue of RM7.41 million for the 2H FPE 2022 as compared with RM 9.84 million in the 2H FPE 2021 representing a decline of approximately 24.7% or RM 2.43 million.

The decline in revenue was mainly contributed by the design, engineering and integration of expressway toll collection system segment which recorded a decline in revenue by RM 5.34 million or 67.4% from RM7.92 million in the 2H FPE 2021 to RM2.58 million during the 2H FPE 2022. This was the result of timely delivery of project and recognition of revenue from the completed overseas and local projects during the 1st Half of the financial period of 2022 and hence lesser revenue recognised in the 2H FPE 2022.

However, the decline in revenue from the design, engineering and integration of expressway toll collection system segment mitigated by the higher revenue from sales of goods and services rendered by RM 2.90 million or 150.8 % from RM 1.93 million in the 2H FPE 2021 to RM 4.83 million during the 2H FPE 2022 which is in tandem with the higher order from customers.

In terms of geographical locations, the revenue generated from Philippines customers continue to be the largest contributor, being 53.3% of the Group’s total revenue and the revenue generated from Myanmar customers contributed 10.7% of the Group’s total revenue whereas revenue generated from Malaysia customers contributed 36.0% of the Group’s total revenue.

The Group achieved profit before tax (“**PBT**”) of RM 0.40 million for the 2H FPE 2022 as compared with PBT of RM1.79 million in the 2H FPE 2021. The lower in PBT was primarily due to the lower gross profit, higher administrative expenditure of RM0.49 million and increase in share of losses from the investment in an associate company of RM0.54 million in the current financial period under review.

Comparison between current 12 months financial year (“FYE 2022”) and the preceding year 12 months financial year (“FYE 2021”)

During FYE 2022, the Group has achieved revenue of RM11.15 million as compared with RM12.80 million recorded in FYE 2021, representing a decline of RM1.65 million or 12.9% mainly due to significant drop in revenue from the segment of design, engineering and integration of expressway toll collection system by RM 4.57 million or 49.4% from RM 9.26 million in the corresponding last financial year to RM 4.69 million during FYE 2022. However, the decline in the sales of design, engineering and integration of expressway toll collection system is partially offset by the increase in revenue from sales of goods and service rendered segment by RM 2.91 million or 82.2% from RM 3.54 million in the corresponding last financial year to RM 6.46 million during FYE 2022.

Sales of goods and services rendered is the main revenue contributor which contributed 57.9% of the Group’s revenue in FYE 2022 as compared to 27.7% in FYE 2021. In term of the contribution by geographical locations, overseas customers from Philippines and Myanmar have contributed 53.2% of the Group’s revenue in FYE 2022 as compared to 50.6% of the Group’s revenue in FYE 2021.

PART B – ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (“LISTING REQUIREMENTS”) (CONT’D)

B1 Review of Performance (Cont’d)

The Group achieved PBT of RM1.83 million for FYE 2022 as compared with PBT of RM0.91 million in FYE 2021. The increase in PBT was primarily due to the reduction in the cost of sales and increase in share of profit from the investment of an associate company of RM0.25 million during the current financial year ended.

B2 Commentary on Prospect

The Group anticipates that the global recession will have an impact on the economic outlook of Malaysia in 2023. This is as a result of hawkish stance of US Federal Reserve, EU and other major economies on interest rate hike against the world-wide inflationary pressure from the effect of supply-chain disruption and growing geo-political tension between US and China.

Nevertheless, the Group will continuously to monitor the impact of the above-mentioned issues on the operations and financial performance and will also take appropriate and timely measures to minimise the impact of the economic outlook of Malaysia on the Group’s operations.

Premised on the above and barring unforeseen circumstances, the Board of Directors of the Company expects the Group’s financial performance for the financial year 2023 to be satisfactory.

B3 Profit Forecast, Profit Guarantee and Internal Targets

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

PART C – OTHER INFORMATION

C1 Status of Corporate Proposal

There was no corporate proposal announced but pending completion as at the date of this unaudited interim report.

C2 Utilisation of Proceeds

The status of the utilisation of the proceeds as at 31 May 2022 as stated below which has been raised from the Excluded Issue is as follows:

Utilisation of Proceeds		Estimated timeframe for utilisation upon Listing	Proposed Utilisation ⁽¹⁾	Actual Utilisation	Balance Unutilised
			RM'000	RM'000	RM'000
(i)	Working capital for new business expansion	Within 24 months	340	(10)	330
(ii)	Capital expenditure	Within 12 months	298	-	298
(iii)	Estimated listing expenses	Upon listing	214	(214)	-
Total			852	(224)	628

Note:

(1) As per the Supplemental Information Memorandum of the Company dated 24 May 2021

On 1 June 2022, the Company announced the decision to vary and further extend the timeframe for utilisation of the Proceeds. The Company has redeployed the remaining RM0.63 million from working capital for new business expansion and capital expenditure to general working capital as shown in the table below.

The status of the utilisation of the proceeds as at 31 December 2022 is as follows:

Utilisation of proceeds		Estimated timeframe for utilisation from 1 June 2022	Revised Proposed Utilisation	Actual Utilisation	Balance Unutilised
			RM'000	RM'000	RM'000
(i)	General working capital				
-	Staff cost	Within 24 months	210	(77)	133
-	Hardware	Within 24 months	281	(133)	148
-	Software	Within 24 months	87	(87)	-
-	Forwarding & shipping charges	Within 24 months	16	(16)	-
-	Rental of new offices	Within 12 months	34	(20)	14
Total			628	(333)	295

Note:

(1) As at 31 December 2022, RM 333k has been utilised for staff cost, rental of new offices, hardware & software and forwarding & shipping charges.

The utilisation of proceeds as disclosed above should be read in conjunction with the company announcement made on 1 June 2022.

PART C – OTHER INFORMATION (CONT'D)

C3 Material Litigation

The Company was not engaged in any material litigation as at the date of this unaudited interim report.

C4 Dividend

In respect of financial year ended 31 December 2022, interim single tier dividend of RM 0.0025 per ordinary share had been declared on 14 December 2022 and paid on 6 January 2023.

C5 Prior Year Adjustment and Restatement

A prior year adjustment was made in respect of the financial statements of the Group for the year ended 31 December 2020 and 31 December 2021, as a result of understatement of fair value loss on other investment and provision on expected credit loss on trade receivable. The adjustment was made in accordance with MFRS108 Accounting Policies, Changes in Accounting Estimates and Errors.

The effect of the correction on the basic earnings per share for FYE 2021 was changed from 0.45 sen to 0.35 sen.

The effect of the above adjustment to the condensed consolidated financial statements for FYE 2020 are as follows: -

	As reported RM'000	Adjustment RM'000	As restated RM'000
Consolidated statement of profit or loss for the year ended 31 December 2020:-			
Other operating expenses	(321)	(516)	(837)
Taxation	(908)	58	(850)

	As reported RM'000	Adjustment RM'000	As restated RM'000
Consolidated statement of financial position as at 31 December 2020:-			
Other investment	909	(274)	635
Trade receivable	5,593	(242)	5,351
Retained profits	7,583	(458)	7,125
(Deferred tax liabilities)/deferred tax assets	(11)	58	47

The effect of the above adjustment to the condensed consolidated financial statements for FYE 2021 are as follows:-

	As reported RM'000	Adjustment RM'000	As restated RM'000
Consolidated statement of profit or loss for the year ended 31 December 2021:-			
Other operating expenses	(109)	(165)	(274)
Taxation	(516)	39	(477)

PART C – OTHER INFORMATION (CONT'D)

C5 Prior Year Adjustment and Restatement (Cont'd)

	As report RM'000	Adjustment RM'000	As restated RM'000
Consolidated statement of financial position as at 31 December 2021:-			
Other investment	909	(276)	633
Trade receivable	7,678	(405)	7,273
Retained profits	8,141	(584)	7,557
(Deferred tax liabilities)/deferred tax assets	(51)	97	46

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