

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		9 months ended	
		31/03/2021 RM'000 (Unaudited)	31/03/2020 RM'000 (Audited)	31/03/2021 RM'000 (Unaudited)	31/03/2020 RM'000 (Audited)
Continuing Operations					
Revenue	B1, B2	11,412	9,817	43,730	44,518
Less: Cost of sales	B6, B7	(9,906)	(9,288)	(39,027)	(39,675)
Gross Profit		1,506	529	4,703	4,843
Other operating income	A14	110	70	2,796	215
Employee benefits	B7	(804)	(790)	(2,141)	(2,491)
Key management personnels's remuneration	B7	(502)	(400)	(1,354)	(1,155)
Depreciation & amortisation	B7	(869)	(1,525)	(2,604)	(4,001)
Other operating expenses	B7	(2,604)	(1,404)	(3,746)	(2,620)
Profit / (Loss) from operations		(3,163)	(3,520)	(2,346)	(5,209)
Finance costs	B6, B7	(55)	(107)	(211)	(320)
Profit / (Loss) before taxation	B1, B2	(3,218)	(3,627)	(2,557)	(5,529)
Income tax recover /(expenses)	B5	(200)	-	(200)	-
Profit / (Loss) from continuing operations for the period		(3,418)	(3,627)	(2,757)	(5,529)
Discontinued Operations					
Profit / (Loss) from discontinued operations, net of tax		-	(201)	(426)	(384)
Profit / (Loss) for the period		(3,418)	(3,828)	(3,183)	(5,913)
Other Comprehensive income					
- Currency translation difference not recognised in income statement		-	-	-	-
Total comprehensive Profit / (loss) for the period		(3,418)	(3,828)	(3,183)	(5,913)
Profit / (Loss) Attributable to:					
Owner of the Parent		(3,409)	(3,713)	(2,947)	(5,701)
Non-controlling interest		(9)	(115)	(236)	(212)
		(3,418)	(3,828)	(3,183)	(5,913)
Total comprehensive Profit / (Loss) attributable to :					
Owner of the Parent		(3,409)	(3,713)	(2,947)	(5,701)
Non-controlling interest		(9)	(115)	(236)	(212)
		(3,418)	(3,828)	(3,183)	(5,913)
Profit / (loss) per share (sen)					
- Basic	B12	(0.44)	(0.62)	(0.38)	(0.96)
- Diluted	B12	(0.44)	(0.62)	(0.38)	(0.96)

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 2020 and the accompanying note attached to this interim financial report.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As At 31/03/2021 RM'000	Audited As At 30/06/2020 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		802	870
Right of use assets		1,307	1,777
Intangible asset		3,706	8,876
Goodwill on consolidation		2,194	2,194
Lease receivables		2,946	7,292
Total Non-current Assets		10,955	21,009
Current Assets			
Trade receivables		10,332	13,852
Other receivables, deposits and prepayments		1,351	2,075
Lease receivables		5,336	5,113
Inventory		3,882	3,571
Current tax asset		235	309
Fixed deposits with licensed banks		8,329	8,416
Cash and bank balances		10,518	843
Total Current Assets		39,983	34,179
Total Assets		50,938	55,188
Equity and Liabilities			
Share capital		54,857	46,737
Capital Reserve		-	-
Accumulated (losses)		(19,371)	(16,424)
Non controlling interest		53	(943)
Total Equity		35,539	29,370
Non-current Liabilities			
Lease Liabilities	B9	4,494	8,676
Deferred tax liability		20	20
Deferred Income		-	114
Total Non-current Liabilities		4,514	8,810
Current Liabilities			
Trade payables		1,111	4,113
Other payables & accruals		1,720	2,838
Bank overdraft		2,287	4,595
Lease Liabilities	B9	5,567	5,371
Deferred Income		-	91
Provision for taxation	B5	200	-
Total Current Liabilities		10,885	17,008
Total Liabilities		15,399	25,818
Total Equity and Liabilities		50,938	55,188
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.04	0.04

Note:

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying note attached to this interim financial report.

UNAUDITED QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Note	Period ended 31/03/2021 Unaudited RM'000	Period ended 30/06/2020 Audited RM'000
Cash flows from/(for) operating activities			
Loss before taxation		(2,983)	(10,261)
Adjustment for:-			
Amortisation of intangible assets - included discontinued operations		2,140	3,914
Depreciation of property, plant and equipment & right of use assets- included discontinued operations		624	808
Interest income		90	(165)
Finance income lease receivables	B6	(553)	(842)
Lease liabilities interest expense	B6	530	748
Bank Overdraft interest expense		157	339
Gain on disposal of subsidiary	B1	(2,552)	-
Net effect from waiver of indebtedness owed by disposed subsidiary		(1,900)	-
Impairment loss of Intangible assets		2,011	2,070
Impairment of trade receivables		-	144
Impairment of other receivables		-	244
Bad debts of other receivables		-	235
Gain on disposal of property, plant and equipment & right of use assets		-	(5)
Gain on recognition of lease receivables		-	(386)
Property, plant and equipment written off		-	(1)
		<hr/>	<hr/>
Operating loss before working capital changes		(2,436)	(3,158)
(Increase)/ Decrease in trade and other receivables		3,931	(3,019)
Increase/ (Decrease) in trade and other payables		(395)	3,450
(Increase)/ Decrease in inventory		(311)	(1,300)
Cash flows from/(for) operating activities		<hr/>	<hr/>
		789	(4,027)
Interest income		(90)	165
Bank overdraft interest expense		(157)	(339)
Taxation refund		114	-
Taxation paid		(40)	(141)
Net cash from/(for) operating activities		<hr/>	<hr/>
		616	(4,342)
Cash flows from/(for) investing activities			
Purchase of property, plant and equipment		(112)	(133)
Addition of intangible assets		-	(1,049)
Repayment of lease receivables		4,676	4,563
Net cashflow from disposal of subsidiary		3,141	-
Disposal of fixed assets, property, plant and equipment		-	12
Net cash from/(for) investing activities		<hr/>	<hr/>
		7,705	3,393
Cash flows from/(for) financing activities			
Repayment of lease liabilities		(4,545)	(4,773)
Repayment to directors		-	(9)
Proceeds from issuance of shares from private placement		8,120	5,874
Net cash from/(for) financing activities		<hr/>	<hr/>
		3,575	1,092
Net increase/(decrease) in cash and cash equivalents		11,896	143
Effects of foreign exchange translation		-	-
Cash and cash equivalents at beginning of the financial year		4,664	4,521
Cash and cash equivalents at end of the financial period		<hr/> <hr/>	<hr/> <hr/>
		16,560	4,664
<u>Cash and cash equivalents at the end of the financial period comprises the following :-</u>			
Fixed deposits with licensed banks		8,329	8,416
Cash and bank balances		10,518	843
Bank overdraft		(2,287)	(4,595)
		<hr/>	<hr/>
		16,560	4,664

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 2020 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 THIRD QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Company →			Attributable to owners of the Company RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Capital Reduction Reserve RM'000	Accumulated Losses RM'000			
- Disposal of shares in a subsidiary						
Balance at 1 July 2020	46,737	-	(16,424)	30,313	(943)	29,370
Contribution by Owners of the Company						
- Issuance of shares	8,120	-	-	8,120	-	8,120
- Disposal of shares in a subsidiary					1,232	1,232
Utilisation of capital reduction credit:						
- to write off current financial loss	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	(2,947)	(2,947)	(236)	(3,183)
	-	-	(2,947)	(2,947)	(236)	(3,183)
Balance at 31 March 2021	<u>54,857</u>	<u>-</u>	<u>(19,371)</u>	<u>35,486</u>	<u>53</u>	<u>35,539</u>
Balance at 1 July 2019	40,863	1,339	(7,788)	34,414	(595)	33,819
Contribution by Owners of the Company						
- Issuance of shares	5,874	-	-	5,874	-	5,874
Utilisation of Capital Reduction Credit:						
- to write off current financial loss	-	(1,339)	1,339	-		-
Total comprehensive loss for the financial year	-	-	(9,975)	(9,975)	(348)	(10,323)
	-	-	(9,975)	(9,975)	(348)	(10,323)
Balance at 30 June 2020	<u>46,737</u>	<u>-</u>	<u>(16,424)</u>	<u>30,313</u>	<u>(943)</u>	<u>29,370</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**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 2020 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 2020, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations that have become effective on 1 January 2020 and 1 June 2020.

MFRSs and/or IC Interpretations. (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 2: Share-based Payment	1 January 2020
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 7: Financial Instruments: Disclosure	1 January 2020
Amendments to MFRS 9: Financial Instruments	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134: Interim Financial Report	1 January 2020
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138: Intangible Assets	1 January 2020
Amendments to MFRS 139: Financial Instruments: Recognition	1 January 2020
IC Interpretation 12 Service Concession Arrangements	1 January 2020
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
IC Interpretation 132 Intangible assets – Website Costs	1 January 2020
Amendments to MFRS 16: Leases	1 June 2020

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for this interim financial report:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 3: Definition of a Business	1 January 2022
Amendments to MFRS 9: Financial Instruments	1 January 2022

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A2. Summary of Significant Accounting Policies (Cont’d)**

MFRSs and/or IC Interpretations	Effective Date
Amendments to MFRS 116: Property, Plant & Equipment	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company will adopt the above-mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements of the above pronouncements.

A3. Audit Report of Preceding Annual Financial Statements

The audited annual financial statements for the financial year ended 30 June 2020 were not subject to any qualification.

A4. Comments on Seasonal or Cyclical Factors

The results of the Group were not significantly affected by any seasonal or cyclical factors during the current quarter under review and the financial year-to-date.

A5. Nature and Amount of Exceptional and Extraordinary Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current quarter under review and the financial year-to-date.

A6. Material Changes in Estimates

There were no material changes in the estimates used for the preparation of this interim financial report.

A7. Debts and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 March 2021 under review save as the issuance of 40,000,000 ordinary shares by way of private placement at an issue price of RM 0.203 per share on 02 March 2021 disclosed in Note B8.

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 Third Quarter Ended 31 March 2021**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 March 2021	Application Support & Services & Hardwares RM'000	Manpower Outsourcing & Recruitments RM'000	E-Commerce & Specified Application Services RM'000	Investment Holding RM'000	Eliminations RM'000	Total RM'000
Continuing Operations						
Sales	9,952	1,456	4	-	-	11,412
Intersegment sales	2	-	15	794	(811)	-
	<u>9,954</u>	<u>1,456</u>	<u>19</u>	<u>794</u>	<u>(811)</u>	<u>11,412</u>
Segment results						
Interest Income	32	2	-	112	(81)	65
Interest expenses	(234)	(44)	-	(12)	81	(209)
Depreciation & amortisation	(84)	(13)	(669)	(103)	-	(869)
Income Tax recover /(expenses)	(200)	-	-	-	-	(200)
Segment profit/(loss) after tax	256	(25)	(2,747)	(902)	-	(3,418)
Discontinued Operations						
Segment profit/(loss) after tax	-	-	-	-	-	-
	<u>256</u>	<u>(25)</u>	<u>(2,747)</u>	<u>(902)</u>	<u>-</u>	<u>(3,418)</u>

Year to dated Ended 30 June 2021	Application Support & Services & Hardwares RM'000	Manpower Outsourcing & Recruitments RM'000	E-Commerce & Specified Application Services RM'000	Investment Holding RM'000	Eliminations RM'000	Total RM'000
Continuing Operations						
Sales	38,659	4,910	21	140	-	43,730
Intersegment sales	4	7	45	1,255	(1,311)	-
	<u>38,663</u>	<u>4,917</u>	<u>66</u>	<u>1,395</u>	<u>(1,311)</u>	<u>43,730</u>
Segment results						
Interest Income	28	2	-	306	(246)	90
Interest expenses	(749)	(143)	-	(41)	246	(687)
Depreciation & amortisation	(248)	(39)	(2,009)	(308)	-	(2,604)
Income Tax recover /(expenses)	(200)	-	-	-	-	(200)
Segment profit/(loss) after tax	1,008	105	(4,223)	353	-	(2,757)
Discontinued Operations						
Segment profit/(loss) after tax			(426)			(426)
	<u>1,008</u>	<u>105</u>	<u>(4,649)</u>	<u>353</u>	<u>-</u>	<u>(3,183)</u>

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.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****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.

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 except for the following:

- a) On 27 November 2020, the Company (“TDEX”), Real Estate Solutions Sdn. Bhd. (“RESSB”) and Mr. Thor Joe Hock (collectively referred to as “Sellers”) had entered into a Share Purchase Agreement (“SPA”) with PropertyGuru Pte. Ltd. (“Purchaser”) to collectively dispose the entire issued share capital of MyProperty Data Sdn. Bhd. (“MDSB”). The total cash consideration for the disposal of TDEX 50% equity stake of 250,000 shares in MDSB is RM3.2 million (“Disposal Consideration”). The SPA has become unconditional and has been completed on 16 December 2020. Upon completion, MDSB ceased to be a subsidiary of the Group.
- b) The company’s wholly owned subsidiary, Technodex Solutions Sdn. Bhd. has incorporated a new wholly owned subsidiary namely T5 Advance Venture Sdn. Bhd. (“T5”) in Malaysia, under the Companies Act 2016 on 10 December 2020. The intended business activities of T5 Advance Venture Sdn. Bhd are that of Provision of Information, Communication, Technology (“ICT”) Products and Related Services, ICT Consultancy and ICT Project Management Services. T5 has been incorporated with an initial issued and paid-up share capital of RM100 comprising 100 ordinary shares.
- c) The company has incorporated a new wholly owned subsidiary namely MyData Advisory Sdn. Bhd (“MyData”) in Malaysia, under the Companies Act 2016 on 2 February 2021. The intended business activities are that of Provision of collection of payments and remittance of payments collected to customers and compiling of credit information on individuals and business credit histories. MyData has been incorporated with an initial issued and paid-up share capital of RM100 comprising 100 ordinary shares.

The incorporation of T5 and MyData are not expected to have any significant impact on the net earnings per share and net tangible assets per share of the Group based on the audited consolidated accounts of the Group for the year ended 30 June 2020. No Director, controlling shareholder or substantial shareholder of the Company has an interest, direct or indirect, in the corporation of T5 and MyData.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A13. Discontinued Operations**

As disclosed in Note A12 above, the disposal of MDSB has been classified as discontinued operations as at 31 March 2021 in accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations whereby the comparative Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income has been presented to show the discontinued operations separately from continuing operations.

MYPROPERTY DATA SDN BHD

Loss attributable to the discontinued operations were as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Revenue	-	282	544	1,090
Less: Cost of sales	-	-	-	-
Gross Profit	-	282	544	1,090
Other operating income	-	-	23	-
Employee benefits	-	(161)	(384)	(531)
Key management personnels's remuneration	-	(50)	(81)	(150)
Depreciation & amortisation	-	(92)	(160)	(269)
Other operating expenses	-	(180)	(368)	(524)
Loss from operations	-	(201)	(426)	(384)
Finance costs	-	-	-	-
Loss before taxation	-	(201)	(426)	(384)
Income tax recover /(expenses)	-	-	-	-
Loss from discontinued operations for the period	-	(201)	(426)	(384)

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART A-Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting****A14. Gain on Disposal of Subsidiary**

The disposal of subsidiary MDSB unconditional completed on 16 December 2020 as disclosed in above Note A12 a) and A13 :

Gain Arising from the Disposal	RM'000
Disposal consideration	3,220
Less: 50% of MDSB carrying amount, Total deficit value of (RM2.46 million) attributable to owners of the company	1,230
Less: Waiver of indebtedness owed by MDSB to TDEX and its subsidiaries	(1,900)
Gain from the disposal	<u><u>2,550</u></u>

A15. Contingent Assets or Liabilities

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

A16. Capital Commitments

There were no capital commitments for the period under review.

A17. Related Party Transactions

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

	9 months ended 31-Mar-2021
Transactions with director:-	
Rental paid:	<u><u>RM27,500</u></u>

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B1. Review of Performance-Comparison with Preceding Year Corresponding Quarter**

A comparison of financial performance of the Group for the current quarter ended 31 March 2021 (“CQ2021”) with the preceding year’s corresponding quarter ended 31 March 2020 (“PYQ2020”) as follows: -

Descriptions	INDIVIDUAL QUARTER ENDED		VARIANCE	
	31/03/2021	31/03/2020		
	CQ2021	PYQ2020		
	RM'000	RM'000		
	Unaudited	Audited	RM'000	%
Revenue	11,412	9,817	1,595	16
Profit /(Loss) Before Tax ("PBT") ("LBT")				
Continuing Operations	(3,218)	(3,627)	409	11
Discontinued Operations	-	(201)	201	100
	(3,218)	(3,828)	610	16

For the current quarter under review, the Group recorded a higher revenue of RM1.59 million or 16% as compared to the PYQ2020 in 2020.

The performance of the Group revenue segments is as summarised below:

- a) Better performance in the application support & services and hardware segment with higher revenue by RM2.1 million (CQ2021:RM9.9 million, PYQ2020:RM7.8 million) mainly due to the increase in revenue contribution from its IT hardware business as increase in orders and projects to supply computer and point of sales hardware.
- b) For the CQ2021 under review, the manpower sourcing segment recorded a lower revenue by RM0.50 million, as compared CQ2021 RM1.40 million to PYQ2020 RM1.90 million, due to we still faced the similar slowdown impact from COVID-19 movement control orders and restrictions, especially on recruitment and supply of IT professional expatriates. It also attributed to changes in sales mix strategy which the Group is focus on more profitable services and sales to maximize the efficiency of resources.

There was no major increase revenue in other segments due to slow and uncertainty in the market condition.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B1. Review of Performance-Comparison with Preceding Year Corresponding Quarter (Cont'd)**

For the CQ2021 under review, the Group recorded *lower Loss before Tax* by *RM0.60 million* or 16% (CQ2021: -RM3.218 million, PYQ2020: -RM3.828 million)

The improvement of RM0.60 million attributed to the following:

- a) *The higher profit* contributed by *RM1.00 million* from application support & services and hardware segment resulted from increase in sales orders and project and higher profit from E-Commerce Segment by *RM0.20 million* attributed to disposal of loss- making subsidiary, MDSB.
- b) *Lower Amortisation and Depreciation* by *RM0.65 million* (CQ2021:RM0.87 million, PYQ:RM1.52 million) mainly due to lower carrying amount of intangible assets.
- c) *Increase in Other Operating Expenses* by *RM1.2 million* mainly due to the *One-time Impairment of Intangible Assets* for under-performing products. The management is in the opinion that products are not expected to generate revenue in the near future, due to the COVID-19 pandemic, and recommended for impairment. On the other hand, the depreciation & amortisation will be reduced for the next quarter financial year due to lower carrying amount of intangible assets

B2. Review of Performance-Comparison with Immediate Preceding Quarter's (PQ) Results.

Descriptions	INDIVIDUAL QUARTER ENDED		VARIANCE	
	31/03/2021	31/12/2020		
	RM'000	RM'000	RM'000	%
	Unaudited	Audited		
Revenue	11,412	19,970	(8,558)	(43)
Profit /(Loss) Before Tax ("PBT") ("LBT")				
Continuing Operations	(3,218)	1,561	(4,779)	306
Discontinued Operations	-	(8)	8	100
	(3,218)	1,553	(4,771)	307

For the current quarter ("CQ") under review, the Group's *revenue lower by RM8.50 million* or -43% as compared to the PQ 31 December 2020 which was primarily due to lower revenue posted in the IT hardware business (CQ:RM9.50 million, PQ:RM18 million) as a results of lower sales orders and projects to supply computer and point of sales hardware in current quarter under review.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B2. Review of Performance-Comparison with Immediate Preceding Quarter's ("PQ") Results. (Cont'd)**

For the CQ2021 under review, the Group recorded higher *Loss before Tax* by RM4.70 million or -307% (CQ: -RM3.2 million, PQ: RM1.5 million)

The higher loss of RM4.70 million attributed to the following:

- a) *The lower profit* by **RM0.30 million** from application support & services and hardware segment resulted from lower in sales orders and project. (CQ:RM1.50 million, PQ:RM1.80 million)
- b) *Lower Other Operating Income* by **RM2.50 million** (CQ:RM0.10 million, PQ:RM2.60 million) mainly due to preceding quarter recorded a Gain on disposal of subsidiary as disclosed in Note A14 above and classified in other operating income amounting to RM2.55 million.
- c) *Increase in Other Operating Expenses* by **RM1.90 million** (CQ:RM2.60 million, PQ:RM0.70 million) mainly due to the *One-time Impairment of Intangible Assets* for under-performing products as explained in above note B1 c).

B3. Commentary on Prospects

The unprecedented worldwide outbreak of COVID-19 pandemic has resulted in the imposition of lockdown order, travel restrictions and other precautionary measures in many countries. This has significantly brought much uncertainty and more challenges to the economy and business opportunities in both international and domestic markets.

On the positive outlook, the Covid-19 pandemic has played a part in driving the Digital Economy amid the imposition of the lockdown orders has forced corporations and organisations to reconsider their business working arrangement, product positioning and marketing strategies to leverage on the technologies and partnering with e-commerce platforms to improve their operation efficiency and sales moving forward. The Group management is confident the improvement in ICT sector as we observed active orders of rightly positioned ICT hardware and services.

Despite the challenges above, with Group's management endurance, solid resellers channel in nationwide and track records, the Group is positioned to weather the economic uncertainties and will continue to actively pursue new growth opportunities with a strategy which focuses on a prudent and cohesive expansion in activities closely correlated with the Group's core competencies. In anticipation of the impending economic slowdown, the Group will focus on market expansion and product development of new ICT products (vertical solutions) and services, targeting at the government sector, private sectors, financial institutions and property industries.

The Group strategic intent is to increase market share by improving market coverage and widening its product and services offering that in turns will bring forth new income streams to the Group.

The Group is confident to perform satisfactorily amidst the economic uncertainty by taking pragmatic and well strategised action plans towards maintaining the financial performance of the Group.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**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

	Current Quarter Ended	Cumulative Quarter Ended
	31/3/2021	31/3/2021
RM'000	Unaudited	Unaudited
Income tax		
- Current provision	(200)	(200)
- (Over)/ under provision of tax in prior years	-	-
Total income tax expenses	(200)	(200)

There is provision for taxation for this quarter for the subsidiaries income taxes were calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

B6. Interest Expenses

Breakdown of classification of interest expenses

	Current Quarter Ended		Cumulative Quarter Ended	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Unaudited	Audited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
i) Cost of sales				
Lease liabilities interest	154	196	476	583
ii) Finance costs				
Lease liabilities interest	16	18	54	61
Bank overdraft interest	39	89	157	259
Total Interest expenses	209	303	687	903

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**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 classified to conform with current quarter's presentation and to reflect appropriately the nature of the transaction:

Statement of profit or loss	As previously classified	Discontinued operations	Reclassification	As reclassified
	RM'000	RM'000	RM'000	RM'000
For 9 months financial period ended 31 March 2020				
Revenue	45,374	(1,090)	234	44,518
Cost of sales	(39,091)	-	(584)	(39,675)
Employee benefits	(3,601)	531	579	(2,491)
Key management personnels's remuneration	-	150	(1,305)	(1,155)
Depreciation & amortisation	(4,270)	269	-	(4,001)
Other operating expenses	(3,636)	524	492	(2,620)
Finance costs	(904)	-	584	(320)

Statement of profit or loss	As previously classified	Discontinued operations	Reclassification	As reclassified
	RM'000	RM'000	RM'000	RM'000
For 3 months financial period ended 31 March 2020				
Revenue	10,021	(282)	78	9,817
Cost of sales	(9,091)	-	(197)	(9,288)
Employee benefits	(1,159)	161	208	(790)
Key management personnels's remuneration	-	50	(450)	(400)
Depreciation & amortisation	(1,617)	92	-	(1,525)
Other operating expenses	(1,748)	180	164	(1,404)
Finance costs	(304)	-	197	(107)

B8. Corporate Proposals

There corporate proposals announced has not completed as at the date of this report : -

The Board of Directors of the Company had on 28 September 2020 announced that the Company proposed to undertake the proposed placement of up to 10% of the total number of issued shares of TDEX. The listing of and quotation for the placement shares application has been approved by Bursa Malaysia Securities Berhad on 23 October 2020.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****B8. Corporate Proposals (Cont'd)**

On 2 March 2021, the Company has placed out the first tranche of the Placement, 40,000,000 new ordinary shares at an issue price of RM0.203 per placement share pursuant to the said proposed placement. As at report date, the Company has yet to allot for the listing of the remaining said placement shares.

B9. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 March 2021 are as follows: -

	As at 31/3/2021 (RM'000)
Secured borrowings:-	
Current:	
Lease Liabilities	5,567
	5,567
Non-Current:	
Lease Liabilities	4,494
	4,494
Total	10,061

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.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**PART B. – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET****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 RM3.409 million for the current quarter under review and net loss attributable to the owners of RM2.947 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
	31/3/2021	31/3/2021
	Unaudited	Unaudited
Loss attributable to ordinary equity holders of the parent (RM'000)	(3,409)	(2,947)
Weighted Average Number of Ordinary Shares	779,976,612	771,321,300
Basic profit per share (sen)	(0.44)	(0.38)

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.

B13. Status of Utilisation of Proceeds

- i) The status of the utilisation of proceeds from the Previous Private Placement as at the date of this report is as follows: -

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

Notes:

- (1) From date of listing of the Previous Placement Shares.
- (2) Only RM200,000 had been utilised for the expenses in relation to the Previous Private Placement.
- (3) The business expansion to the South East Asia region has been delayed as a result of sanctions of travelling abroad due to various travel restrictions in response to the Coronavirus Disease 2019 ("Covid-19") pandemic. Therefore, the unutilised proceed is expected to be fully utilised when the travel restrictions are lifted.

Unaudited Quarterly Financial Report For The Third Quarter Ended 31 March 2021**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 (Cont'd)**

ii) The status of the utilisation of sale proceeds received from the disposal of subsidiary as disclosed in Note A12 above as at the date of this report is as follows: -

Purpose	Proceed raised	Actual utilisation	Unutilised proceed	Timeframe for utilisation of proceeds (1)
	RM'000	RM'000	RM'000	
Information technology (“IT”) contracts and orders	1,610.00	1,610.00	0.00	Within 18 months
Operating expenses and administrative expenses (1)	1,610.00	1,275.00	335.00	Within 18 months
Total	3,220.00	2,885.00	335.00	

Note:

(1) Operating expenses and administrative expenses such as utilities, rental costs, Payment of salaries to staff of the Group.