SINOCLOUD GROUP LIMITED
(THE "COMPANY")
(Company Registration No.: 34050)
(Incorporated in Bermuda on 13 August 2003)

Unaudited Condensed Interim Consolidated Financial Statements for the Three Months Ended 30 September 2022

*Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Company is required by the SGX-ST to continue to announce its quarterly financial statements in view of the material uncertainty relating to going concern issued by the Company's auditors in the latest audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 30 June 2021. As of the date of this announcement, the Company has not issued the audited consoldiated financial statements of the Company and its subsidiaries for the financial year ended 30 June 2022, which also contains the auditors' report. Please refer to the Company's announcement dated 16 October 2022 in relation to the approval for extension of time by SGX RegCo to hold the annual general meeting of the Company for the financial year ended 30 June 2022 by 30 November 2022.*

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Catalist Rules.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Chief Executive Officer, ZICO Capital Pte. Ltd. at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SINOCLOUD GROUP LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022
(Expressed in Hong Kong thousand dollars)

	Note	Three Months Ended 30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	% + / (-)
Revenue	**4**	1,969	3,280	(40)
Depreciation of property, plant and equipment		(615)	(1,353)	(55)
Depreciation of right-of-use assets		(354)	(570)	(38)
Reversal of financial assets		-	9,001	(100)
Bandwidth fees		(47)	(1,590)	(97)
Employee benefits expenses		(890)	(592)	50
Other income	**5**	244	-	N.M.
Other expenses		(2,433)	(3,481)	(30)
Foreign exchange gain		83	5	>100
Finance costs	**6**	(1,735)	(1,844)	(6)
(Loss)/profit before taxation	**7**	(3,778)	2,856	N.M.
Income tax expense		-	-	-
(Loss)/profit for the financial period		(3,778)	2,856	N.M.
Other comprehensive income:				
- Currency translation differences arising from consolidation		5,892	181	>100
Other comprehensive income for the financial period, net of tax		5,892	181	>100
Total comprehensive income for the financial period		2,114	3,037	(30)
(Loss)/profit attributable to:				
- Owners of the Company		(3,505)	507	N.M.
- Non-controlling interests		(273)	2,349	N.M.
		(3,778)	2,856	N.M.
Total comprehensive income attributable to:				
- Owners of the Company		577	607	(5)
- Non-controlling interests		1,537	2,430	(37)
		2,114	3,037	(30)
(Loss)/earnings per share attributable to the owners of the Company				
Basic (HK cents)	**8**	(0.022)	0.003	N.M.

N.M.: Not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

SINOCLOUD GROUP LIMITED
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022
(Expressed in Hong Kong thousand dollars)

		The Group		The Company	
	Note	As at 30.9.2022 (Unaudited)	As at 30.6.2022 (Unaudited)	As at 30.9.2022 (Unaudited)	As at 30.6.2022 (Unaudited)
ASSETS					
Non-current assets					
Property, plant and equipment	**10**	21,330	23,711	-	-
Right-of-use assets		15,976	26,625	-	-
Investment in subsidiaries		-	-	57,112	57,112
Deferred tax assets		11,966	11,966	-	-
		49,272	62,302	57,112	57,112
Current assets					
Trade and other receivables		6,381	7,346	110	81
Derivative asset		1,733	1,733	1,733	1,733
Cash and bank balances		398	150	-	-
		8,512	9,229	1,843	1,814
TOTAL ASSETS		57,784	71,531	58,955	58,926
LIABILITIES					
Current liabilities					
Trade and other payables		23,225	27,643	8,265	6,924
Contract liabilities		879	584	-	-
Borrowings	**11**	6,139	4,671	-	-
Redeemable convertible bond	**12**	23,902	23,638	23,902	23,638
Income tax payable		8,327	8,413	-	-
		62,472	64,949	32,167	30,562
Non-current liabilities					
Borrowings	**11**	3,550	4,584	-	-
Lease liabilities		53,379	65,729	-	-
		56,929	70,313	-	-
TOTAL LIABILITIES		119,401	135,262	32,167	30,562
NET (LIABILITIES) / ASSETS		(61,617)	(63,731)	26,788	28,364
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	**13**	15,878	15,878	15,878	15,878
Share premium		481,352	481,352	481,352	481,352
Contributed surplus		16,456	16,456	16,456	16,456
Translation reserve		11,441	7,359	-	-
Statutory reserve		7,066	7,066	-	-
Revaluation reserve		98	98	-	-
Other reserve		22,384	22,384	7,264	7,264
Accumulated losses		(533,472)	(529,967)	(494,162)	(492,586)
		21,203	20,626	26,788	28,364
Non-controlling interest		(82,820)	(84,357)	-	-
TOTAL EQUITY		(61,617)	(63,731)	26,788	28,364

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

SINOCLOUD GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(Expressed in Hong Kong thousand dollars)

	Three Months Ended	
	30.09.2022 (Unaudited)	**30.09.2021** (Unaudited)
Cash flow from operating activities		
(Loss)/ Profit before tax	(3,778)	2,856
Adjustments:		
Depreciation of property, plant and equipment	615	1,353
Depreciation of right-of-use assets	354	570
Reversal of provision for warranty	-	(9,001)
Interest expense	1,735	1,844
Operating loss before working capital changes	(1,074)	(2,378)
Trade and other receivables	965	(25)
Trade and other payables	(3,147)	4,173
Contract assets	-	-
Contract liabilities	295	(1,862)
Cash used in operations	(2,961)	(92)
Interest paid	(168)	(89)
Net cash used in operating activities	(3,129)	(181)
Cash flow from investing activities		
Payments to purchase property, plant and equipment	-	(447)
Net cash used in investing activities	-	(447)
Cash flow from financing activities		
Net advance to related parties, net	(1,270)	(157)
Net advance from shareholders	790	850
Net cash (used in) / from financing activities	(480)	693
Net (decrease) / increase in cash and cash equivalents	(3,609)	65
Cash and cash equivalents at beginning of the financial period	150	461
Effect of exchange rate changes in cash and cash equivalents	3,857	(36)
Cash and cash equivalents at end of the financial period, representing cash and bank balances	398	490

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

FY2022
Group - 1st Quarter

	Attributable to equity holders of the Company									
	Share Capital HK$'000	Share Premium HK$'000	Contributed Surplus HK$'000	Translation Reserve HK$'000	Statutory Reserve HK$'000	Revaluation Reserve HK$'000	Other reserve HK$'000	Accumulated Losses HK$'000	Non-Controlling Interest HK$'000	Total Equity HK$'000
Balance as at 1 July 2021	**15,878**	**481,352**	**16,456**	**4,243**	**7,066**	**98**	**22,384**	**(409,052)**	**(16,001)**	**122,424**
Profit for the period	-	-	-	-	-	-	-	507	2,349	2,856
Currency translation differences arising from consolidation	-	-	-	100	-	-	-	-	81	181
Total comprehensive income for the period	-	-	-	100	-	-	-	507	2,430	3,037
Balance as at 30 September 2021	**15,878**	**481,352**	**16,456**	**4,343**	**7,066**	**98**	**22,384**	**(408,545)**	**(13,571)**	**125,461**

FY2023
Group - 1st Quarter

	Attributable to equity holders of the Company									
	Share Capital HK$'000	Share Premium HK$'000	Contributed Surplus HK$'000	Translation Reserve HK$'000	Statutory Reserve HK$'000	Revaluation Reserve HK$'000	Other reserve HK$'000	Accumulated Losses HK$'000	Non-Controlling Interest HK$'000	Total Equity HK$'000
Balance as at 1 July 2022	**15,878**	**481,352**	**16,456**	**7,359**	**7,066**	**98**	**22,384**	**(529,967)**	**(84,357)**	**(63,731)**
Loss for the period	-	-	-	-	-	-	-	(3,505)	(273)	(3,778)
Currency translation differences arising from consolidation	-	-	-	4,082	-	-	-	-	1,810	5,892
Total comprehensive income / (loss) for the period	-	-	-	4,082	-	-	-	(3,505)	1,537	2,114
Balance as at 30 September 2022	**15,878**	**481,352**	**16,456**	**11,441**	**7,066**	**98**	**22,384**	**(533,472)**	**(82,820)**	**(61,617)**

FY2022

Company - 1st Quarter

	Attributable to equity holders of the Company					
	Share capital HK$'000	**Share premium HK$'000**	**Contributed surplus HK$'000**	**Other reserve HK$'000**	**Accumulated losses HK$'000**	**Total equity HK$'000**
Balance as at 1 July 2021	**15,878**	**481,352**	**16,456**	**7,264**	**(483,335)**	**37,615**
Loss for the period	-	-	-	-	(1,498)	(1,498)
Balance as at 30 September 2021	**15,878**	**481,352**	**16,456**	**7,264**	**(484,833)**	**36,117**

FY2023

Company - 1st Quarter

	Attributable to equity holders of the Company					
	Share capital HK$'000	**Share premium HK$'000**	**Contributed surplus HK$'000**	**Other reserve HK$'000**	**Accumulated losses HK$'000**	**Total equity HK$'000**
Balance as at 1 July 2022	**15,878**	**481,352**	**16,456**	**7,264**	**(492,586)**	**28,364**
Loss for the period	-	-	-	-	(1,576)	(1,576)
Balance as at 30 September 2022	**15,878**	**481,352**	**16,456**	**7,264**	**(494,162)**	**26,788**

E. NOTE TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General information

SinoCloud Group Limited (the "**Company**" and its subsidiaries, the "**Group**") is a limited liability company domiciled and incorporated in Bermuda and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited. The address of the Company's registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

The principal activity of the Company is investment holding. The principal activities of its significant subsidiaries relate to provision of internet data centre services.

Coronavirus (COVID-19) Impact

COVID-19 pandemic in the PRC has rebounded and is wide-spreading in different provinces during the period, and as such, weak demand in IDC market continued. Along with global trade tensions and political uncertainty, challenges to the Group's operation and business performance have never been greater. Even though we determined to terminate the Expansion Project[1] during the financial year ended 30 June 2022 ("**FY2022**"), we continue to solicit hosting service contracts from different sectors during the period to fill up the existing hosting capacity. In addition, the COVID-19 pandemic has significant impact to the Group's major customers, in particular, their ability to make prompt payments and to adhere to agreed repayment plans. This has adversely affected the Group's cash flows.

There is significant uncertainty as to the duration of the pandemic and its impact on those economies which the Group operates in, hence, the COVID-19 pandemic will continue to affect the Group's financial performance in the upcoming financial years/periods.

2. Basis of preparation

This condensed interim consolidated financial statements for the three months ended 30 September 2022 ("**3M FY2023**") have been prepared in accordance with *IAS 34 Interim Financial Reporting*. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. In addition, as the FY2022 audited consolidated financial statements of the Group have not been issued due to extension of time applied as a result of recent sudden COVID-19 outbreak and lockdown in Guiyang and surrounding districts of Guizhou province in the PRC, the comparative figures in the condensed interim statements of financial position and the condensed interim statements of changes in equity were the unaudited figures as at 30 June 2022 disclosed in the announcement of FY2022 unaudited full year results dated 29 August 2022. The selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the unaudited consolidated financial statements for the year ended 30 June 2022.

The accounting policies adopted are consistent with those of the latest audited financial year which were prepared in accordance with the International Financial Reporting Standards ("**IFRSs**"). The condensed interim consolidated financial statements for 3M FY2023 presented in Hong Kong dollar ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) as indicated.

Going concern

The Group recorded a net loss of HK$3,778,000 for 3M FY2023 and negative operating cash flows of HK$3,129,000 for 3M FY2023, and was in net current liabilities of HK$53,960,000 as at 30 September 2022. As of 30 September 2022, the Group's cash and bank balances available for use amounted to HK$398,000 while its current liabilities amounted to HK$62,472,000.

[1] Relates to the expansion of hosting capacity of the IDC in Guiyang, Guizhou province in the PRC, including the construction of additional 1,500 racks, and the construction of a call center to improve response time to customers and related software development.

These facts and circumstances indicate the existence of material uncertainties that may cast significant doubts on the ability of the Group and of the Company to continue as a going concern. The accompanying financial statements have been prepared on a going concern basis as management of the Company ("**Management**") has assessed that the Group and the Company are able to continue as going concerns due to the following key considerations and assumptions:

a) On 30 September 2022, the Company announced that it intends to (i) propose a share consolidation of every one hundred existing issued ordinary shares into one consolidated ordinary share ("**Proposed Share Consolidation**"), and (ii) undertake a renounceable non-underwritten rights issue of up to 79,390,353 new ordinary shares (post-share consolidation) at an issue price of S$0.05 for each rights share immediately upon completion of the Proposed Share Consolidation ("**Proposed Rights Issue**"), on the basis of one (1) rights share for every two (2) consolidated shares. The Proposed Share Consolidation and the Proposed Rights Issue are subject to the approval of shareholders at a special general meeting to be convened. The estimated net proceeds from the Proposed Rights Issue is expected to be approximately HK$21.02 million (S$3.85 million) under the maximum subscription scenario and HK$9.39 million (S$1.72 million) under the minimum subscription scenario. If the maximum subscription scenario is achieved, the Company will be able to use the net proceeds to make partial redemption of the Convertible Bonds and partial repayment of the borrowings from Mr Lam Cho Ying Terence Joe ("**Mr Lam**") as well as for general working capital purposes for the Group.

b) The Company is discussing with the substantial shareholder and convertible bondholder, Mr Lam, (i) to extend the maturity date of the Convertible Bonds for a further four months upon its maturity on 22 November 2022, and (ii) upon completion of the Proposed Share Consolidation and the Proposed Rights Issue, to further extend the maturity date of the remaining outstanding Convertible Bonds for another two years.

c) The Company's sole operating subsidiary in the PRC, Guiyang Zhongdian Gaoxin Digital Technologies Limited ("**Guiyang Tech**") is entitled to a rent-free period of its 20-year lease of the IDC premises since 2014, until the receipt of notice from the landlord. Management is confident that this rent-free period shall be extended for at least 12 months from the date of this report, given that Guiyang Tech has received the confirmation from the landlord that Guiyang Tech is still entitled to the rent-free period before the landlord obtains the property use rights.

d) Management has successfully negotiated for favourable payment terms with its key suppliers, in particular, those providing bandwidth and utilities in the IDC premises, and has agreed to extend its credit terms and to defer payments by at least 12 months from the reporting date.

e) The Group is confident of deferring payment of the entire amount Loan 1 from a PRC bank of HK$4,315,000 (Note 12), of which 25% was due in September 2021, March 2022 and September 2022 respectively, and the remaining 25% will be due upon maturity in March 2023. Management expects to rollover the entire loan amount for another two years upon maturity. A related party, the guarantor of the loan, has agreed to undertake the repayment of the entire amount of loan, should the bank request for those contractual installment from Guiyang Tech within the next 12 months.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for further liabilities which may arise. No such adjustments have been made to this financial statements.

The board of directors of the Company has reviewed and concurred with the aforementioned Management's assessment of the Group's and the Company's ability to continue as a going concern.

2.1 New and amended standards adopted by the Group

A number of amendments to IFRSs have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. The adoption of the new and IFRS and IFRIC Interpretations that became effective for annual reporting periods beginning on or after 1 January 2022 is not expected to result in substantial changes to the Group's financial statements.

2.2 Use of estimates and judgements

In preparing the condensed interim consolidated financial statements for the three months ended 30 September 2022, the Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the latest audited consolidated financial statements as at and for the year ended 30 June 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, the Management is of the opinion that any instances of application of judgements are not expected to have significant effect on the amounts recognised in the financial statements.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group has one reportable segment, as described below, which is the Group's strategic business unit. The Group's chief operating decision maker ("**CODM**") reviews internal management reports on a quarterly basis. The following summary describes the operation in the Group's reportable segments:

- Internet data centre services: Provision of a high-performance internet data centre, cloud computing and big data services in the PRC; and
- Other business operations include investment holding and is categorised as "**All other segments**".

Information regarding the results of each reportable segment is included below. Performance is measured based on segment results as included in the internal management reports that are reviewed by the Group's CODM. All other segments' items include the followings:

- Expenses comprise mainly head office expenses;
- Assets comprise mainly other receivables; and
- Liabilities comprise mainly borrowings, amount due to directors and salary and other head office expenses payables.

4 Segment and revenue information (continued)

Business segments
for the period ended 30 September 2022

	Internet Data Centre Services	All other segments	Total
	HK$'000	HK$'000	HK$'000
Revenue from external parties	1,969	-	1,969
Segment loss	(1,038)	(1,005)	(2,043)
Finance costs			(1,735)
Loss before tax			(3,778)
Income tax			-
Loss for the financial year			(3,778)
Other segment items			
Depreciation of property, plant and equipment	615	-	615
Depreciation of right-of-use assets	354	-	354

for the period ended 30 September 2021

	Internet Data Centre Services	All other segments	Total
	HK$'000	HK$'000	HK$'000
Revenue from external parties	3,280	-	3,280
Segment loss	5,304	(604)	4,700
Finance costs			(1,844)
Loss before tax			2,856
Income tax expense			-
Loss for the financial year			2,856
Other segment items			
Capital expenditure	619	-	619
Depreciation of property, plant and equipment	1,353	-	1,353
Depreciation of right-of-use assets	570	-	570

Geographical information

The Group's two business segments operate in the following geographic areas:

- Hong Kong – The operations in this area include investment holding, treasury functions and provision of administrative and management services.
- PRC – The operations in this area are the provision of internet data centre service.

All the revenue and non-current assets are derived from and held by a subsidiary located in PRC.

5 Other income

	Three months ended	
	30.09.2022	30.09.2021
	HK$'000	HK$'000
Government grants	244	-
	244	-

6 Finance costs

	Three months ended	
	30.09.2022	30.09.2021
	HK$'000	HK$'000
Interest expense on		
- Redeemable convertible bonds	629	603
- Loans	173	90
- Lease liabilities	933	1,151
	1,735	1,844

7 (Loss)/profit before taxation

	Three months ended	
	30.09.2022	30.09.2021
	HK$'000	HK$'000
(Loss)/profit before taxation is stated after charging:		
Directors' remuneration		
- directors of the Company	78	118
Directors' fees		
- directors of the Company	90	90

8 (Loss)/Earnings per Share

	Group	
	3 Months Ended	
	30.9.2022	**30.9.2021**
(Loss)/earnings attributable to equity holders of the Company (HK$'000)	(3,505)	507
Weighted average number of shares in issue	15,878,070,617	15,878,070,617
(Loss)/earnings per ordinary share (HK cents)		
- Based on weighted average number of ordinary shares in issue	**(0.022)**	**0.003**
- On a fully diluted basis	**(0.022)**	**0.003**

Note:
The Convertible Bond, which will expire on 22 November 2022 (the date falling 2 years from the date of the subscription notice of the Convertible Bond being served), has no dilutive effect for the three months ended 30 September 2022 and 30 September 2021.

9 Related party information

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this Note. Details of transactions between the Group and other related parties are disclosed below.

	Three months ended	
	30.9.2022	30.9.2021
	HK$'000	HK$'000
Net advances to related parties	1,270	157
Key management personnel compensation		
Directors of the Company		
- Salary and related costs	78	118
- Contribution to defined contribution plans	4	5
- Directors' fee	90	90
Other key management personnel		
- Salary and related costs	188	211
	360	424
Categories of total compensation		
- Short-term employment benefits	360	424
- Post-employment benefits	-	-
	360	424

10 Property, plant and equipment

There was no acquisition or impairment of property, plant and equipment during 3M FY2023 (FY2022: Acquisition and impairment loss of property, plant and equipment of HK$744,000 and HK$165,048,000, respectively).

11 Borrowings

	Interest rate	Due within 1 year	Due after 1 year but less than 5 years	Total
		HK$'000	HK$'000	HK$'000
Group				
As at 30 September 2022				
Loan 1 (Unsecured) - Fixed rate	7.20%	4,315	-	4,315
Loan 2 (Unsecured) - Fixed rate	6.00%	-	300	300
Loan 3 (Unsecured) - Fixed rate	6.00%	-	550	550
Loan 4 (Unsecured) - Fixed rate	6.00%	-	1,500	1,500
Loan 5 (Unsecured) - Fixed rate	6.00%	-	1,000	1,000
Loan 6 (Unsecured) - Fixed rate	6.00%	-	200	200
Loan 7 (Unsecured) - Fixed rate	10.00%	305	-	305
Loan 8 (Unsecured) - Fixed rate	10.00%	201	-	201
Loan 9 (Unsecured) - Fixed rate	10.00%	248	-	248
Loan 10 (Unsecured) - Fixed rate	10.00%	180	-	180
Loan 11 (Unsecured) - Fixed rate	10.00%	100	-	100
Loan 12 (Unsecured) - Fixed rate	10.00%	155	-	155
Loan 13 (Unsecured) - Fixed rate	10.00%	435	-	435
Loan 14 (Unsecured) - Fixed rate	10.00%	200	-	200
		6,139	3,550	9,689
As at 30 June 2022				
Loan 1 (Unsecured) - Fixed rate	7.20%	4,671	-	4,671
Loan 2 (Unsecured) - Fixed rate	6.00%	-	300	300
Loan 3 (Unsecured) - Fixed rate	6.00%	-	550	550
Loan 4 (Unsecured) - Fixed rate	6.00%	-	1,500	1,500
Loan 5 (Unsecured) - Fixed rate	6.00%	-	1,000	1,000
Loan 6 (Unsecured) - Fixed rate	6.00%	-	200	200
Loan 7 (Unsecured) - Fixed rate	10.00%	-	305	305
Loan 8 (Unsecured) - Fixed rate	10.00%	-	201	201
Loan 9 (Unsecured) - Fixed rate	10.00%	-	248	248
Loan 10 (Unsecured) - Fixed rate	10.00%	-	180	180
Loan 11 (Unsecured) - Fixed rate	10.00%	-	100	100
		4,671	4,584	9,255

Company

As at 30 September 2022 and 30 June 2022

Nil

11 Borrowings (continued)

Loan 1
This loan was obtained by Guiyang Tech from a PRC bank to finance its working capital and is guaranteed by a key management personnel of Guiyang Tech and his controlled entity. The loan is repayable on a half-yearly basis, commencing in September 2021 and is to be fully settled upon maturity in March 2023. Management expects to rollover the entire loan amount for another two years upon maturity.

Loan 2 to Loan 6
The loans are due to a substantial shareholder of the Company ("**Shareholder A**"). The loans are unsecured, interest bearing at 6% per annum and repayment after one year.

Loan 7 to Loan 14
The loans are due to Shareholder A. The loans are unsecured, interest bearing at 10% per annum and repayment within one year.

12 Redeemable Convertible Bond

	Group and Company
	HK$'000
Liability component as at 30 June 2022	23,638
Accumulated amortisation of interest expense	629
Accrued coupon interest included in other payables	(365)
Liability component as at 30 September 2022	23,902

13 Share Capital

(a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

	Group and Company			
	Number of shares	**Amount (HK$'000)**	**Number of shares**	**Amount (HK$'000)**
As at 30 June 2022 and 30 September 2022	15,878,070,617	15,878	15,878,070,617	15,878

13 Share Capital (continued)

(b) State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	As at 30 September 2022	As at 30 June 2022
Number of shares that may be issued on conversion of all outstanding convertibles	4,383,378,402[(1)]	4,383,378,402[(1)]
Total number of issued shares (excluding treasury shares and subsidiary holdings)[(2)]	15,878,070,617	15,878,070,617

Notes:

(1) On 7 October 2020, the Company entered into a convertible bond agreement (the "**Convertible Bond Agreement**") with Mr. Lam Cho Ying Terence Joe (the "**Subscriber**" or "**Mr. Lam**"), pursuant to which the Subscriber agreed to subscribe for a bond in principal amount of up to HK$31,060,000 (equivalent to S$5,546,429, at a fixed exchange rate of S$1.00 : HK$5.60) to be issued by the Company ("**Convertible Bond**") at a subscription price of 100% of the principal amount of the Convertible Bond ("**Subscription Price**"), on the terms and subject to the conditions of the Convertible Bond Agreement. The maximum number of conversion shares which may be allotted and issued to the Subscriber upon the full conversion of the Convertible Bond, including the accrued and unpaid interest up to the maturity date, is 5,647,272,727 new shares, at a conversion price of S$0.0011 per share ("**Bond Issuance**"). The Bond Issuance has been duly approved by shareholders of the Company at the extraordinary general meeting held on 30 October 2020.

On 23 November 2020, the Subscriber subscribed for the full amount of the Convertible Bond of HK$31.06 million. Subsequent to the full subscription, the Company has redeemed in aggregate of HK$7.0 million of the Convertible Bond from the Subscriber as at 30 June 2021. The outstanding principal amount of the Convertible Bond of HK$24.06 million will expire on 22 November 2022. Accordingly, the maximum number of conversion shares which may be allotted and issued to the Subscriber upon full conversion of the remaining Convertible Bond of HK$24.06 million is 4,383,378,402. As at the date of this announcement, no conversion of the Convertible Bond has taken place.

(2) There were no treasury shares and subsidiary holdings as at 30 June 2022 and 30 September 2022.

14 Net (Liability) / Asset Value

	Group		Company	
	As at 30 September 2022 (Unaudited)	**As at 30 June 2022 (Unaudited)**	**As at 30 September 2022 (Unaudited)**	**As at 30 June 2022 (Unaudited)**
Net (liability) / asset value (HK$'000)	(61,617)	(63,731)	26,788	28,364
Number of shares in issue	15,878,070,617	15,878,070,617	15,878,070,617	15,878,070,617
Net (liability) / asset value per ordinary share (HK$)	(0.0039)	(0.0040)	0.0017	0.0018

17 Subsequent Events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

F. OTHER INFORMATION REQUIRED UNDER APPENDIX 7C OF THE CATALIST RULES

1 Review

The condensed interim consolidated statement of financial position of the Company and its subsidiares (collectively, the "**Group**") as at 30 September 2022 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the three months ended 30 September 2022 and the explanatory notes herein have not been audited or reviewed by the Company's auditors.

2 To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 September 2022 was 15,878,070,617 (30 June 2022: 15,878,070,617). There were no treasury shares as at 30 September 2022 and 30 June 2022.

3. A statement showing all sales, transfers, cancellation, and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

4. A statement showing all sales, transfers, cancellation, and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any sales, transfers, cancellation, and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

5. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: to provide (a) updates on the efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

The latest audited consolidated financial statements of the Group for the financial year ended 30 June 2021 were subject to a disclaimer of opinion. The disclaimer of opinion ("**Disclaimer of Opinion**") was in relation to (i) impairment assessment of property, plant and equipment, right-of-use asset and prepayments, (ii) recoverability of deferred tax asset, and (iii) impairment assessment of investment in subsidiaries. Please refer to the Company's announcement dated 13 October 2021 as well as the annual report of the Company for financial year ended 30 June 2021 for further information on the Disclaimer of Opinion.

The board of directors of the Company ("**Directors**" or "**Board**") and the Management confirm that, due to the termination of the Expansion Project in the fourth quarter of FY2022, the revenue forecast and the underlying assumptions used in the discounted cash flow projection ("**DCF**") prepared by the Management to derive the value in use ("**VIU**") of the IDC operated by Guiyang Tech has been changed as at 30 June 2022, whereby a revised DCF was made.

The Directors and the Management confirm that there are no outstanding audit issues on the financial statements to be disclosed.

6. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

(A) REVIEW OF FINANCIAL RESULTS

Revenue

Revenue decreased by HK$1.3 million, from HK$3.3 million in the three months ended 30 September 2021 ("**3M FY2022**") to HK$2.0 million in the three months ended 30 September 2022 ("**3M FY2023**"). The decrease in revenue was mainly due to decrease in customer demand and service fee reduction, largely attributable to the continuing COVID-19 pandemic in China.

Other income

Other income of HK$0.2 million in 3M FY2023 (3M FY2022: Nil) mainly relates to government grant received by Guiyang Tech during the current financial period.

Expenses

Depreciation of property, plant and equipment ("**PPE**") decreased by HK$0.7 million, from HK$1.4 million in 3M FY2022 to HK$0.6 million in 3M FY2023, as a result of the full depreciation of respective PPE.

Depreciation of right-of-use assets amounted to HK$0.4 million in 3M FY2023 (3M FY2022: HK$0.6 million). The decrease was due to reassessment of lease liabilities and right-of use assets during the current financial period.

No reversal of financal assets was recognised in 3M FY2023. Reversal of financial assets was HK$9.0 million in 3M FY2022, of which HK$8.9 million was attributable to the utilisation of prepayment made to a vendor previously, fully impaired to offset against trade payables owing to the same party during 3M FY2022. An agreement was signed by the Group with the vendor on the aforementioned offset of prepayment against the outstanding trade payable owed to the vendor. The remaining HK$0.1 million related to reversal of impairment loss of financial assets due to debt recovery from a customer.

Bandwidth fees decreased by HK$1.5 million, from HK$1.6 million in 3M FY2022 to HK$0.05 million in 3M FY2023, as a result of termination of excess broadband services during 3M FY2022.

Employee benefits expenses increased by HK$0.3 million to HK$0.9 million in 3M FY2023, from HK$0.6 million in 3M FY2022, mainly due to the increase in hiring of staff to fulfill a government bureau hosting project during 3M FY2023.

Other expenses, comprising primarily office overhead, operating lease expenses, legal and professional fee and utility service fee, decreased by HK$1.1 million, from HK$3.5 million in 3M FY2022 to HK$2.4 million in 3M FY2023, mainly due to the decrease in utility service fee as well as office overhead.

Foreign exchange gain was HK$0.08 million in 3M FY2023 (3M FY2022: foreign exchange gain of HK$5,000), mainly due to the depreciation of Renminbi ("**RMB**") against Hong Kong Dollar ("**HKD**") during 3M FY2023.

Finance costs decreased by HK$0.1 million, from HK$1.8 million in 3M FY2022 to HK$1.7 million in 3M FY2023. The decrease was mainly due to reduction in interest expense on lease liabilities as a result of lease reassessment, partial offset by increase in interest expenses on redeemable converible bond and loans during 3M FY2023.

Income tax

There was no income tax reported in 3M FY2023 and 3M FY2022 as there were no assessable profit generated during both financial periods.

Net (loss)/profit after taxation

As a result of the aforesaid, the Group recorded a loss after tax of HK$3.8 million in 3M FY2023 (3M FY2022: profit after tax of HK$2.9 million).

(B) REVIEW OF FINANCIAL POSITION

Non-Current Assets

Non-current assets of the Group amounted to HK$49.3 million and HK$62.3 million as at 30 September 2022 and 30 June 2022 respectively. Non-current assets comprised (i) property, plant and equipment; (ii) right-of-use assets; and (iii) deferred tax assets.

(i) Property, plant and equipment

The net book value of property, plant and equipment decreased by HK$2.4 million, from HK$23.7 million as at 30 June 2022 to HK$21.3 million as at 30 September 2022. The decrease was mainly due to depreciation charge of HK$0.6 million and translation loss of HK$1.8 million arising from depreciation of RMB against HKD during 3M FY2023.

(ii) Right-of-use assets

The net book value of right-of-use assets decreased by HK$10.6 million, from HK$26.6 million as at 30 June 2022 to HK$16.0 million as at 30 September 2022. The decrease was due to (i) lease reassessment of HK$8.9 million, (ii) depreciation charge of HK$0.4 million, and (iii) the translation loss of HK$1.3 million arising from depreciation of RMB against HKD during 3M FY2023.

(iii) Deferred tax assets

Deferred tax assets remained unchanged at HK$12.0 million as at 30 September 2022 and 30 June 2022. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

Current Assets

Current assets decreased by HK$0.7 million, from HK$9.2 million as at 30 June 2022 to HK$8.5 million as at 30 September 2022. Current assets comprised (i) trade and other receivables; (ii) derivative asset; and (iii) cash and bank balances.

(i) Trade and other receivables

Trade and other receivables decreased by HK$0.9 million, from HK$7.3 million as at 30 June 2022 to HK$6.4 million as at 30 September 2022. Trade and other receivables as at 30 September 2022 comprise trade receivables of HK$0.2 million, amount due from a related party of HK$5.0 million and other receivables and prepayment of HK$1.2 million.

Trade receivables decreased by HK$1.5 million, from HK$1.7 million as at 30 June 2022 to HK$0.2 million as at 30 September 2022. The decrease was mainly due to decrease in revenue generated by Guiyang Tech which remained uncollected as at 30 September 2022.

Amount due from a related party of HK$5.0 million as at 30 September 2022 (30 June 2022: HK$4.1 million) relates to advances to a related party of the controlling shareholder of the Company. The amount is unsecured, interest-free and repayable on demand.

Other receivables and prepayment decreased by HK$0.3 million, from HK$1.5 million as at 30 June 2022 to HK$1.2 million as at 30 September 2022, mainly due to translation loss arising from depreciation of RMB against HKD during 3M FY2023.

(ii) Derivative asset

Derivative financial instrument of HK$1.7 million as at 30 September 2022 and 30 June 2022 represent the Company's redemption option embedded in the redeemable convertible bonds.

(iii) Cash and bank balances

Cash and bank balances increased by HK$0.2 million, from HK$0.2 million as at 30 June 2022 to HK$0.4 million as at 30 September 2022. Please refer to "Cashflows" for the movement in cash and cash equivalents.

Current Liabilities

Current liabilities decreased by HK$2.5 million, from HK$65.0 million as at 30 June 2022 to HK$62.5 million as at 30 September 2022, mainly due to the following:

(i) Trade and other payables

Trade and other payables decreased by HK$4.4 million, from HK$27.6 million as at 30 June 2022 to HK$23.2 million as at 30 September 2022. Trade and other payables as at 30 September 2022 comprised (a) trade payables of HK$ Nil; (b) accruals and other payables of HK$19.2 million; (c) amount due to directors of HK$0.5 million; (d) amount due to related parties of HK$1.9 million; (e) redeemable convertible interest payable of HK$1.3 million; and (f) loan interest payable of HK$0.3 million.

(a) Trade payables decreased by HK$0.7 million, from HK$0.7 million as at 30 June 2022 to HK$ Nil as at 30 September 2022, due to settlement of payables during 3M FY2023.

(b) Accruals and other payables decreased by HK$4.3 million, from HK$23.5 million as at 30 June 2022 to HK$19.2 million as at 30 September 2022, mainly due to translation gain arising from depreciation of RMB against HKD during 3M FY2023.

(c) Amount due to Directors of the Company increased by HK$0.1 million, from HK$0.4 million as at 30 June 2022 to HK$0.5 million as at 30 September 2022, as a result of an increase in unsettled directors' fees during 3M FY2023.

(d) Amount due to related parties of HK$1.9 million as at 30 September 2022 and 30 June 2022 related to advances from related parties. The amounts were unsecured, interest-free and repayable on demand.

(e) Redeemable convertible interest payable of HK$1.3 million as at 30 September 2022 (30 June 2022: HK$0.9 million) relates to unpaid coupon interests for the Convertible Bond issued in November 2020.

(f) Loan interest payable of HK$0.3 million as at 30 September 2022 (30 June 2022: HK$0.2 million) related to the unpaid loan interests for loans extended to the Company by a substantial shareholder of the Company.

(ii) Contract liabilities

Contract liabilities increased by HK$0.3 million, from HK$0.6 million as at 30 June 2022 to HK$0.9 million as at 30 September 2022, due to the receipt of customer deposit for an IDC contract where the corresponding IDC service has yet to be fully performed as at 30 September 2022.

(iii) Borrowings

Borrowings increased by HK$1.4 million, from HK$4.7 million as at 30 June 2022 to HK$6.1 million as at 30 September 2022, due to increase in the current portion of loans from a substantial shareholder, Mr. Lam, during 3M FY2023.

(iv) Redeemable convertible bond

Redeemable convertible bond increased from HK$23.6 million as at 30 June 2022 to HK$23.9 million as at 30 September 2022. The amount recorded under redeemable convertible bond relates to the liability component of the Convertible Bond entered into by the Company with the Subscriber on 7 October 2020. In November 2020, the Subscriber subscribed for the full amount of the Convertible Bond of HK$31.06 million, and there were subsequent redemptions by the Company in December 2020, January 2021 and March 2021, as described in Note 13 under Section E of this announcement. Details of the terms and conditions are set out in the Company's announcement dated 11 October 2020.

The increase of HK$0.3 million was mainly due to accumulated amortisation of interest expense of HK$0.6 million, partially offset by the accrued coupon interest of HK$0.3 million during 3M FY2023.

Non-current Liabilities

Non-current liabilities decreased by HK$13.4 million, from HK$70.3 million as at 30 June 2022 to HK$56.9 million as at 30 September 2022. Non-current liabilities comprised (i) borrowings; and (ii) lease liabilities.

(i) Borrowings

Borrowings decreased by HK$1.0 million, from HK$4.6 million as at 30 June 2022 to HK$3.6 million as at 30 September 2022. This was due to the loans of HK$1.0 million extended by a substantial shareholder of the Company, Mr Lam, to the Company fall due within one year and reclassified to current borrowings during 3M FY2023.

(ii) Lease liabilities

Lease liabilities decreased by HK$12.3 million, from HK$65.7 million as at 30 June 2022 to HK$53.4 million as at 30 June 2022, due to (i) lease reassment of HK$8.9 million, (ii) effect of depreciation of RMB against HKD amounting to HK$4.3 million, partially offset by interests incurred of HK$0.9 million during 3M FY2023.

Working Capital

Due to the changes in current assets and current liabilities as described above, the Group reported a negative working capital of HK$54.0 million as at 30 September 2022 (30 June 2022: HK$55.7 million). The Board is of the view that the Group's current liabilities include an amount of HK$61.3 million (accounting for 98% of the Group's total current liabilities) which is not expected to be payable by the Group within the next 12 months. The reasons are set out below:

(a) Under trade and other payables

(i) PRC value added tax of HK$8.2 million arose largely due to IFRS adjustments (i.e. IFRS adjustments against PRC GAAP as the accounts of Guiyang Tech have been prepared based on PRC GAAP). Such VAT will only be required to be paid when sales revenue is collected by Guiyang Tech, along with the issuance of the respective VAT receipts.

(ii) Amount due to related parties amounted to HK$1.9 million. Management had negotiated with the related parties for not demanding repayment within one year from 30 June 2022.

(iii) Accruals for bandwidth and energy saving service for IDC operations in the PRC of HK$12.1 million. Guiyang Tech has yet to receive the supplier invoice for the aforesaid service and Management expects that the payment for such service fee can be extended by the service provider.

(iv) Interest payable for loan and convertible bond issued to a substantial shareholder of the Company (being Mr. Lam) amounting to HK$1.5 million. The management had negotiated with Mr. Lam on extension for payment of such interest payable, and expects to receive continued financial support from Mr. Lam.

(b) Contract liabilities of HK$0.9 million relate to advance payment received by Guiyang Tech in respect of a government contract secured by Guiyang Tech. The amount will be recorded as revenue once the performance of contract is completed.

(c) Redeemable convertible bond of HK$23.9 million relates to the convertible bond issued to Mr. Lam. The Group has obtained continuing financial support from Mr. Lam to enable the Group to operate as a going concern and to meet its obligations as and when they fall due. Such financial support includes not recalling the balance owing to Mr. Lam of HK$30,816,000 (which includes the liability component of redeemable convertible bond of HK$23,902,000, borrowings of HK$5,374,000 and related redeemable convertible bond interests and borrowing interests of HK$1,278,000 and HK$262,000 respectively) as at 30 September 2022 unless the Group has sufficient funds for working capital and to pay other creditors in full.

(d) Income tax payable of HK$8.3 million arose from IFRS adjustment against PRC GAAP (as the accounts of Guiyang Tech have been prepared based on PRC GAAP). No such tax is required to be settled as Guiyang Tech is loss making (based on accounts of Guiyang Tech prepared based on PRC GAAP) in 2021.

Further to the above, the Company is proposing to undertake a share consolidation and rights issue to strengthen the Group's financial position. Please refer to the Company's announcment dated 30 September 2022 for futher information. Please also refer to Note 2 under Section E of this announcement for information on the Management's assessment of the Group's and the Company's ability to continue as a going concern.

(C) CASH FLOWS

Net cash used in operating activities in 3M FY2023 amounted to HK$3.1 million. This was mainly due to (i) operating loss before working capital changes of HK$1.1 million; (ii) decrease in trade and other payables of HK$3.1 million, and (iii) interest paid of HK$0.2 million, partially offset by (iv) decrease in trade and other receivables of HK$1.0 million, and (v) increase in contract liabilities of HK$0.3 million.

There was no cash flows from investing activities in 3M FY2023.

Net cash used in financing activities amounted to HK$0.5 million in 3M FY2023, mainly due to net advance to related parties of HK$1.3 million, partially offset by advance from a shareholder of HK$0.8 million.

As a result of the above, together with the effect of exchange rate changes in cash and cash equivalents of HK$3.9 million, the Group's cash and cash equivalents increased from HK$0.2 million as at 30 June 2022 to HK$0.4 million as at 30 September 2022.

7. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. There was no forcast or prospect statement previously disclosed to shareholders.

8. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group derives its revenue primarily from its principal subsidiary, Guiyang Tech. As disclosed in Note 1 of the unaudited result announcement above, due to continuing adverse effect of COVID-19 pandemic and the associated control measures affecting the financial performance of the Group in the past years, downward trend of service fees as well as lower customers' demand continue to result in a decrease in revenue. Notwithstanding the foregoing, the Group will solicit hosting service contracts from different sectors to fill up the existing hosting capacity.

The Company had, on 30 October 2020, obtained shareholders' approval for, *inter alia*, the proposed diversification of the Group's existing business to include new businesses (which comprise tourism, food and beverage, and entertainment). Since then, the Company has been exploring potential opportunities in the new businesses. The Company will continue to seek out opportunities and will make the necessary announcements in compliance with the requirements of the Catalist Rules as and when there is any material development. Please refer to the Company's circular to shareholders dated 14 October 2020 for further details on the aforementioned proposed diversification.

Since then, the Group is exploring various alternatives to further strengthen its financial position to ensure it has the ability to expand and diversify its businesses in addition to its current cost cutting measures to reduce operating costs and expenses. On 30 September 2022, the Company announced the proposed undertaking of a share consolidation and rights issue exercise to strengthen the capital base of the Group. Please refer to the Company's announcement dated 30 September 2022 for further information on the proposed share consolidation and the proposed rights issue.

9. Dividend

If a decision regarding dividend has been made :-

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None.

(b)(i) and (b)(ii) Amount of dividend per share of the current reporting financial period and of the previous corresponding period.

Nil (FY2022: nil).

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

10. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend is declared/recommended by the Directors for 3M FY2023 as the Group is loss making for 3M FY2023.

11. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT general mandate has been obtained by the Group from the Company's shareholders.

12. Negative confirmation pursuant to Rule 705(5)

We, Chan Andrew Wai Men and Lam Chun Hei, Justin, being directors of the Company do hereby confirm on behalf of the Board of Directors that, to the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the condensed first quarter consolidated financial statements of the Group for the three months ended 30 September 2022 to be false or misleading in any material aspect.

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

14. Disclosure of pursuant to Rule 706(A) of the Catalist Rules

The Company did not acquire or dispose shares in an entity (including struck off of entity) which will result in that entity in becoming or ceasing to be, a subsidiary of the Company, or result in a change in the Company's shareholding percentage in subsidiary during 3M FY2023.

BY ORDER OF THE BOARD

Chan Andrew Wai Men
Executive Chairman

Lam Chun Hei, Justin
Executive Director and
Chief Operating Officer

12 November 2022