



[Registration No.: 200201003114 (Company No.: 570777-X)]
(Incorporated in Malaysia)



EXCEL FORCE MSC BERHAD

UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 September 2024

Interim Financial Report on Consolidated Results for the Financial Period Ended 30 September 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial		Year to date	
	Quarter Ended		Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	7,364	7,228	7,364	7,228
Cost of sales	(2,577)	(2,514)	(2,577)	(2,514)
Gross profit	<u>4,787</u>	<u>4,714</u>	<u>4,787</u>	<u>4,714</u>
Other income	36	48	36	48
Other operating expenses	(522)	(469)	(522)	(469)
Marketing expenses	(13)	(43)	(13)	(43)
Administrative expenses	(1,581)	(1,542)	(1,581)	(1,542)
Finance cost	(97)	(5)	(97)	(5)
Share of result of associates	(26)	67	(26)	67
Profit before tax	<u>2,584</u>	<u>2,770</u>	<u>2,584</u>	<u>2,770</u>
Tax expense	(683)	(686)	(683)	(686)
Profit for the year	<u>1,901</u>	<u>2,084</u>	<u>1,901</u>	<u>2,084</u>
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	<u>1,901</u>	<u>2,084</u>	<u>1,901</u>	<u>2,084</u>
Profit for the year attributable to:				
Owners of the parent	<u>1,901</u>	<u>2,084</u>	<u>1,901</u>	<u>2,084</u>
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year :				
attributable to owners of the parent	<u>1,901</u>	<u>2,084</u>	<u>1,901</u>	<u>2,084</u>
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings per share				
- Basic (sen)	<u>0.31</u>	<u>0.37</u>	<u>0.31</u>	<u>0.37</u>
- Diluted (sen)	<u>0.31</u>	<u>0.37</u>	<u>0.31</u>	<u>0.37</u>

Notes:

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 period ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	(Unaudited) 30.09.2024 RM'000	(Audited) 30.06.2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		3,203	3,299
Rights-of-use assets		20,660	20,814
Product Development costs		17,719	17,415
Goodwill		4,018	4,018
Investment in associate		333	359
Other investment		26,481	26,481
Total non-current assets		72,414	72,386
Current assets			
Inventories		7	7
Digital assets		25,973	25,973
Trade and other receivables	B7	22,241	27,415
Tax recoverable		1,307	1,308
Deposits, cash and bank balances and short-term funds		27,232	21,004
Total current assets		76,760	75,707
TOTAL ASSETS		149,174	148,093
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		98,094	98,094
Reserves		31,939	30,038
Equity attributable to owners of the parent		130,033	128,132
Non-controlling interests		-	-
TOTAL EQUITY		130,033	128,132

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	(Unaudited) 30.09.2024 RM'000	(Audited) 30.06.2024 RM'000
EQUITY AND LIABILITIES (continued)		
Non-current liabilities		
Term loan	6,228	6,350
Lease liabilities	647	775
Deferred taxation	3,002	3,003
Total non-current liabilities	9,877	10,128
Current liabilities		
Trade and other payables	3,824	3,588
Contract liabilities	2,944	3,329
Term loan	574	591
Lease Liabilities	730	831
Tax payable	1,192	1,494
Total current liabilities	9,264	9,833
TOTAL LIABILITIES	19,141	19,961
TOTAL EQUITY AND LIABILITIES	149,174	148,093
Net assets per share attributable to equity holders of the Company (RM)	0.21	0.21

Notes:

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Share Capital	Forex Transition Reserve	Fair Value Reserve	Other Reserve	Retained Earnings	Total	Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended								
30 September 2024								
At 1 July 2024	98,094	(3)	2,800	(81)	27,322	128,132	-	128,132
Profit for the period	-	-	-	-	1,901	1,901	-	1,901
Total comprehensive income/(loss) for the period	-	-	-	-	1,901	1,901	-	1,901
At 30 September 2024	98,094	(3)	2,800	(81)	29,223	130,033	-	130,033

Attributable to owners of the parent							Non-Controlling Interests	Total Equity
Non-distributable reserves				Distributable				
Share Capital	Forex Transition Reserve	Fair Value Reserve	Other Reserve	Retained Earnings	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
3 months period ended								
30 September 2023								
At 1 July 2023	81,176	-	(4,680)	(81)	20,480	96,895	-	96,895
Profit for the period	-	-	-	-	2,084	2,084	-	2,084
Total comprehensive income/(loss) for the period	-	-	-	-	2,084	2,084	-	2,084
At 30 September 2023	81,176	-	(4,680)	(81)	22,564	98,979	-	98,979

Notes:

The unaudited Condensed Consolidated Statement of Change in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	3 Months Period Ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	2,584	2,770
Adjustments for:		
Amortisation of development costs	706	692
Depreciation of property, plant and equipment	240	227
Depreciation of right of used assets	154	154
Unrealised gain on foreign exchange	29	-
Gain on disposal of property, plant and equipment	(1)	(1)
Share of result of associates	26	(67)
Interest expense	97	5
Interest income from deposits with licensed banks	(61)	(45)
	3,774	3,735
Changes in working capital:		
(Increase) in inventories	-	-
Decrease/(Increase) in trade and other receivables	6,557	(1,408)
(Decrease) in trade and other payables	(1,526)	(448)
Cash generated from operations	8,805	1,879
Tax paid	(985)	(405)
Interest paid	(97)	(5)
Net cash from/(used in) operating activities	7,723	1,469
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Addition of product development cost	(1,010)	(1,199)
Interest received	61	45
Acquisition of property, plant and equipment	(144)	-
Proceed from disposal of property, plant and equipment	1	-
Net cash from/(used in) investing activities	(1,092)	(1,154)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of lease liability	(151)	(157)
Repayment of hire purchase liability	(78)	(37)
Repayment of term loan	(139)	-
Net cash from/(used) in financing activities	(368)	(194)
Net decrease in cash and cash equivalents	6,263	121
Effects of exchange rate changes	(35)	1
Cash and cash equivalents at beginning of period	21,004	31,171
Cash and cash equivalents at end of period	27,232	31,293

Notes: The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)

A1. Basis of Preparation

The unaudited interim financial statements, for the period ended 30 September 2024, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial period ended 30 June 2024. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2024.

Since the previous annual audited financial statements as at 30 June 2024 were issued, the Group has adopted the Malaysia Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converged Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

At the date of issuance of this unaudited interim financial statements, the MFRSs, amendments to MFRSs and IC Interpretation have been issued by MASB but not yet effective are as listed below:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101	/non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountabilities: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

The Group and the Company are in the process of assessing the impact of implementing these Amendments and Standards, since the effect would only be observable for the future financial period.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial period ended 30 June 2024 was not qualified.

A3. Seasonality or Cyclicity of Interim Operations

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review and financial period.

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

During the current financial quarter under review and financial year, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. Material Changes in Accounting Estimates

There was no material changes in estimates of amounts reported in the prior financial year, that has a material effect on the current financial quarter under review and financial year.

A6. Issuances, Cancellation, Repurchases, Resale and Repayments of Debts and Equity Securities

On 29 February 2024, EForce had issued 50,500,000 ordinary shares to satisfy the acquisition of 100% equity interest in Universal Capital Co Ltd (fks Orca Capital Holdings Limited).

A7. Dividends

On 24 October 2024, the Board of Directors declared final single-tier dividend of 0.50 sen per ordinary share, amounting to approximately RM3 million in respect of financial period ending 30 June 2024, subject to the shareholders’ approval at the forthcoming AGM. The dividend, if approved by shareholders will be paid to shareholders on 7 January 2025.

A8. Segmental Reporting

Segment information is presented in respect of the Group’s business segments.

- (i) Application Solutions (“AS”)
 - Sales of software applications and product on an outright purchase basis.
- (ii) Application Services Providers (“ASP”)
 - Income from outsourcing service charge which is volume and transaction based.
- (iii) Maintenance Services
 - Provision of maintenance services.
- (iv) Others – investment holding companies.

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A8. Segmental Reporting

(a) Individual quarter

<u>3 Months Period Ended</u>	AS	ASP	Maintenance Services	Others	Total
<u>30-Sep-24</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Total revenue	1,261	5,416	765	-	7,442
Inter-segment revenue	-	(78)	-	-	(78)
Revenue from external customers	1,261	5,338	765	-	7,364
Results					
Segment results	298	2,139	375	(165)	2,647
Finance costs					(97)
Share of result of associates					(26)
Interest income from deposits with licensed bank					60
Profit before tax					2,584
Income tax expenses					(683)
Net profit for the period / Total comprehensive income for the period					1,901

<u>3 Months Period Ended</u>	AS	ASP	Maintenance Services	Others	Total
<u>30-Sep-23</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Total revenue	1,946	4,629	732	-	7,307
Inter-segment revenue	-	(79)	-	-	(79)
Revenue from external customers	1,946	4,550	732	-	7,228
Results					
Segment results	588	1,706	369	-	2,663
Finance costs					(5)
Share of result of associates					67
Interest income from deposits with licensed bank					45
Profit before tax					2,770
Income tax expenses					(686)
Net profit for the period / Total comprehensive income for the period					2,084

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A9. Subsequent Material Event

There was no material event subsequent to the current financial quarter ended 30 June 2024 up to the date of the announcement of this report, which is likely to substantially affect the results of the operations of the Group for the current financial quarter under review.

A10. Changes in the Composition of the Group and Financial Period End.

On 29 March 2024, the Group has released announcement on the completion of acquisition of 100% shareholding in Universal Capital Co Ltd (fks Orca Capital Holdings Limited).

A11. Changes in Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets for the current financial quarter under review.

A12. Recurrent Related Party Transactions (“RRPT”)

The tenancy agreement with MY E.G. Services Berhad for renting office space located at Level 31, MYEG Tower, Empire City. No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya. Detail of transaction as follows:

Term of tenancy: 1 December 2023 to 30 November 2026
Monthly rental: RM30,256.20

A13. Capital Commitments

There is no capital commitments for the current financial quarter under review.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of Group's Performance

Current Year -to date vs. Previous Year-to date

	Individual Period				Cumulative Period			
	Current Year	Preceding Year	Changes		Current Year	Preceding Year	Changes	
	Quarter	Corresponding Quarter	RM'000	%	Quarter	Corresponding Quarter	RM'000	%
	30/09/24	30/09/23			30/09/24	30/09/23		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	7,364	7,228	136	1.88	7,364	7,228	136	1.88
Operating Profit	2,670	2,661	9	0.34	2,670	2,661	9	0.34
Profit Before Interest and Tax	2,426	2,720	(294)	(10.81)	2,426	2,720	(294)	(10.81)
Profit Before Tax	2,584	2,770	(186)	(6.71)	2,584	2,770	(186)	(6.71)
Profit After Tax	1,901	2,084	(183)	(8.78)	1,901	2,084	(183)	(8.78)
Profit Attributable to Ordinary Equity Holders of the Parent	1,901	2,084	(183)	(8.78)	1,901	2,084	(183)	(8.78)

The Group's revenue for the first 3 months ended 30 September 2024 recorded at RM7.4 million, higher by RM136,000 or 2% compared to the same correspondence period last year. The higher revenue mainly contributed from ASP segment.

The PBT and PAT recorded at RM2.6 million and RM1.9 million respectively, lower by RM186,000 and RM183,000, mainly due to higher operating expenses and interest cost.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B2. Variation of Results against Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/09/24	30/06/24		
	RM'000	RM'000	RM'000	%
Revenue	7,364	7,434	(70)	-1%
Operating Profit	2,670	2,594	76	3%
Profit Before Interest and Tax	2,426	3,014	(588)	-20%
Profit Before Tax	2,584	3,190	(606)	-19%
Profit After Tax	1,901	2,130	(229)	-11%
Profit Attributable to Ordinary Equity Holders of the Parent	1,901	2,130	(229)	-11%

The Group's revenue for current quarter ended 30 September 2024 was RM7.4 million, lower by RM70,000 or 1% compared to immediately preceding quarter.

PBT and PAT recorded lower by RM606,000 and RM229,000 respectively due to lower foreign exchange gain and provision of deferred tax.

B3. Prospects for 2025

Global stock markets, including Bursa Malaysia, performed with great resilience despite continuing uncertainty in global trade, exchange and interest rate movements and geopolitical concerns. The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024:5.9%) driven by strong investment activity and continue improvement in exports. During the quarter, both headline and core inflation remained stable at 1.9% (2Q 2024:1.9%).

Our customers are reassessing their technology investment to capitalize on market opportunities and accelerate time to market for their new products and services to stay ahead.

The Group is enhancing our existing system capability and developing new product to expand our offering and exploring business expansion and collaboration opportunities with potential partners in Malaysia and overseas, leveraging on our technology capability and know-how.

In order to improve productivity and efficiency, we are closely monitoring our operating expenditure, reviewing current processes and procedures.

Barring any unforeseen circumstances, the Group is cautiously optimistic on the performance of our business ahead.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B4. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast nor profit guarantee for the current financial quarter under review and the financial year.

B5. Taxation

The taxation charge for the individual financial quarter and the financial period are as follows:

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Income tax	683	686	683	686
Deferred tax	-	-	-	-
	<u>683</u>	<u>686</u>	<u>683</u>	<u>686</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced as at the date of this quarterly report.

B7. Trade and Other Receivables

	RM'000
Trade receivables	4,098
Other receivables	18,143
	<u>22,481</u>

Analysis of the trade receivables ageing of the Group is as follows:

	RM'000
0 – 30 days	1,807
31 – 60 days	743
61 – 90 days	874
91 – 120 days	428
121 – 150 days	57
More than 150 days	240
	<u>4,149</u>
Expected Credit Loss	(39)
Impairment (specific)	(12)
Net trade receivables	<u>4,098</u>

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B8. Group Borrowings and Debt Securities

On 1 May 2024, the Group has drawdown of Commodity Murabahah Term Financing of RM7 million from Maybank Islamic Berhad.

B9. Off Balance Sheet Financial Instruments

The Company does not have any off-balance sheet financial instruments as at the date of this report.

B10. Material Litigation

The Group is not engaged in any material litigation and the Board does not have any knowledge of any proceedings pending or threaten against the Group as at the date of this report.

B11. Dividends

On 24 October 2024, the Board of Directors declared final single-tier dividend of 0.50 sen per ordinary share, amounting to approximately RM3 million in respect of financial period ending 30 June 2024, subject to the shareholders' approval at the forthcoming AGM. The dividend, if approved by shareholders will be paid to shareholders on 7 January 2025.

B12. Earnings per Share ("EPS")

	Individual Financial Quarter Ended		Year to date Quarter Ended	
	30.09.24	30.09.23	30.09.24	30.09.23
(a) Basic EPS				
Net profit attributable to the equity holders of the Company (RM'000)	1,901	2,084	1,901	2,084
Weighted average number of ordinary shares in issue ('000)	609,878	559,378	609,878	559,278
Basic EPS (sen)	0.31	0.37	0.31	0.37
(b) Diluted EPS				
Net profit attributable to the equity holders of the Company (RM'000)	1,901	2,084	1,901	2,084
Weighted average number of ordinary shares in issue ('000)	609,878	559,378	609,878	559,378
Diluted EPS (sen)	0.31	0.37	0.31	0.37

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B12. Earnings per Share ("EPS") (continue)

The calculation of the basic EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter / year ended 30 June, divided by the weighted average number of ordinary shares outstanding during the financial year.

The calculation of the diluted EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter / year ended 30 June, divided by the weighted average number of ordinary shares outstanding during the financial year.

B13. Profit for the period

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.09.24 RM'000	30.09.23 RM'000	30.09.24 RM'000	30.09.23 RM'000
Profit for the year is arrived after charging:				
Amortisation of development costs	705	692	692	692
Depreciation of property, plant and equipment	240	227	227	227
Depreciation of right of used assets	154	154	154	154
Loss on foreign exchange	13	3	13	3
and after crediting:				
Gain on disposal of PPE	1	-	1	-
Gain on foreign exchange	-29	1	-29	1
Interest income from deposits with licensed bank	61	45	61	45