



CATCHA DIGITAL BERHAD

(Registration No. 201001033020 (916943-W))
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2023**

CATCHA DIGITAL BERHAD
(Registration No. 201001033020 (916943-W))
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INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2022 RM'000	CURRENT YEAR TO DATE 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE 31/12/2022 RM'000
Revenue		6,500	-	23,574	-
Cost of sales		(2,144)	-	(7,369)	-
Gross profit		4,356	-	16,205	-
Administrative expenses		(3,799)	(394)	(12,338)	(1,217)
Other operating expenses		(142)	-	(584)	-
Other income		4	-	196	-
		419	(394)	3,479	(1,217)
Interest income		42	5	90	17
Interest expense		8	-	(7)	-
		469	(389)	3,562	(1,200)
Share of result of associated company		18	-	18	-
Profit/(Loss) before tax		487	(389)	3,580	(1,200)
Taxation	B5	(377)	2	(1,520)	-
Profit/(Loss) after tax		110	(387)	2,060	(1,200)
Other comprehensive income/(loss):					
Foreign currency translation		-	-	-	-
Total comprehensive income/(loss) for the period		110	(387)	2,060	(1,200)
Attributable to:					
Equity holders of the Company		101	(387)	1,463	(1,200)
Non-controlling interest		9	-	597	-
Total comprehensive income/(loss) for the period		110	(387)	2,060	(1,200)
Earnings/(Loss) per share:					
Basic earnings/(loss) per share (sen)		0.03	(0.29)	0.42	(0.89)
Diluted earnings/(loss) per share (sen)		N/A	N/A	N/A	N/A

N/A – Not Applicable

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**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	(UNAUDITED)	(AUDITED)
	AS AT	AS AT
	31/12/2023	31/12/2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	223	-
Right-of-use assets	465	-
Intangible assets	24,394	-
Goodwill	23,354	-
Investment in associate	1,253	-
	49,689	-
Current assets		
Trade receivables	5,294	-
Other receivables	172	-
Deposits and prepayments	2,511	14
Current tax assets	19	19
Contract assets	2,078	-
Cash and cash equivalents	10,425	963
	20,499	996
TOTAL ASSETS	70,188	996
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	59,044	6,732
Reserves	(7,688)	(6,604)
	51,356	128
Non-controlling interest	717	-
Total equity	52,073	128
Non-current liabilities		
Deferred tax liabilities	5,865	-
	5,865	-
Current liabilities		
Trade payables	732	-
Other payables	6,013	721
Contract liabilities	2,224	-
Lease liabilities	468	-
Provision for taxation	703	-
Accruals	2,110	147
	12,250	868
TOTAL LIABILITIES	18,115	868
TOTAL EQUITY AND LIABILITIES	70,188	996
Net assets per share attributable to equity holders of the Company (RM)	0.15	Negligible

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	< ----- Attributable to equity holders of the Company ----- >						
	<-----Non-distributable----->			Distributable	Total	Non- controlling interest	Total equity
	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	RM'000	RM'000	RM'000	RM'000
At 1/1/2022	6,732	775	(6,179)	1,328	-	1,328	
Loss for the year	-	-	(1,200)	(1,200)	-	(1,200)	
Total comprehensive loss for the year	-	-	(1,200)	(1,200)	-	(1,200)	
At 31/12/2022	6,732	775	(7,379)	128	-	128	
At 1/1/2023	6,732	775	(7,379)	128	-	128	
Profit for the period	-	-	1,463	1,463	597	2,060	
Total comprehensive income for the period	-	-	1,463	1,463	597	2,060	
Acquisition of subsidiaries	-	-	(2,547)	(2,547)	120	(2,427)	
Issuance of share capital	22,601	-	-	22,601	-	22,601	
Proceeds from rights issue exercise	29,711	-	-	29,711	-	29,711	
Transactions with owners	52,312	-	(2,547)	49,765	120	49,885	
At 31/12/2023	59,044	775	(8,463)	51,356	717	52,073	

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**UNAUDITED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	(Unaudited) AS AT CURRENT YEAR TO DATE ENDED 31/12/2023 RM'000	(Audited) AS AT PRECEDING YEAR TO DATE ENDED 31/12/2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	3,580	(1,200)
Adjustments for non-cash flows:		
Amortisation of intangible assets	31	-
Depreciation of property, plant and equipment	482	-
Lease modification	54	
Interest income	(90)	(17)
Interest expense	7	-
Impairment loss on trade receivables	63	-
Impairment loss on contract assets	9	-
Share of profit of an associate	(18)	-
Reversal of impairment loss on trade receivables	(107)	-
Reversal of impairment loss on contract assets	(16)	-
Operating profit/(loss) before working capital changes	3,995	(1,217)
Changes in working capital:		
Trade and other receivables	1,473	1
Trade and other payables	(3,018)	16
Net cash generated / (used) in operations	2,450	(1,200)
Income tax refund	32	34
Income tax paid	(2,345)	(2)
Net cash generated / (used) in operating activities	137	(1,168)
CASH FLOW FROM INVESTING ACTIVITIES		
Advances from ultimate holding company	-	150
Advances from a related company	-	61
Interest received	90	17
Purchase of property, plant and equipment	(67)	-
Purchase of right-of-use assets	(351)	-
Purchase of intangible assets	(6)	-
Acquisition net of cash acquired – iMedia Asia Sdn Bhd (“iMedia”)	(19,286)	-
Acquisition net of cash acquired - investment in an associate	(759)	-
Net cash (used) /generated from investing activities	(20,379)	228
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from rights issue exercise	29,711	-
Interest expense	(7)	-
Net cash generated from financing activities	29,704	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,462	(940)

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

**UNAUDITED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2023 (continued)**

	(Unaudited) AS AT CURRENT YEAR TO DATE ENDED 31/12/2023 RM'000	(Audited) AS AT PRECEDING YEAR TO DATE ENDED 31/12/2022 RM'000
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	963	1,903
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	10,425	963

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1 – Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“AMLR”).

The unaudited interim financial statements should be read in conjunction with the audited financial statements of Catcha Digital Berhad (“Catcha Digital” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 December 2022. The explanatory notes attached to the interim financial statements provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

A2 – Adoption of New and Revised Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 31 December 2022, except for the adoption of the following accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the MASB during the current financial period:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contract</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contract Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

The adoption of all the MFRSs and amendments to MFRSs did not have any financial impact to the Group.

A3 – Auditors’ Report on Preceding Audited Financial Statements

The auditors’ report on the Group’s audited financial statements for the financial year ended 31 December 2022 was not qualified.

A4 – Seasonal or Cyclicity of Operations

The Group is not exposed to any seasonal or cyclicity of operations during the current period under review.

A5 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

A6 – Changes in Estimates

There were no material changes in estimates of amounts reported that may have a material effect on the current quarter under review.

A7 – Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

A8 – Dividends

No dividend has been declared or paid as at the date of this announcement.

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A9 – Segmental Information

The Company completed the Acquisition on 7 March 2023. The segmental results of the Group post-acquisition are as follows:

	Quarter Ended 31 December 2023		
	Online media	Others	Total
	(RM'000)	(RM'000)	(RM'000)
Revenue	6,500	-	6,500
Cost of sales	(2,144)	-	(2,144)
Gross profit	4,356	-	4,356
Other income	4	-	4
Interest income	-	42	42
Administrative expenses and other operating expenses	(3,146)	(795)	(3,941)
Operating profit / (loss)	1,214	(753)	461
Interest expense	8	-	8
	1,222	(753)	469
Share of result of associated company	18	-	18
Profit / (loss) before tax	1,240	(753)	487
Tax expenses	(377)	-	(377)
Profit / (loss) after tax	863	(753)	110
Other comprehensive income, net of tax	-	-	-
Total comprehensive income / (loss)	863	(753)	110

A10 – Valuation of Property, Plant and Equipment

The Group had acquired plant and equipment as part of the Acquisition. There has been no valuation on the said plant and equipment of the Group during the current quarter under review.

A11 – Acquisition/Disposal of Property, Plant and Equipment

The Group had acquired plant and equipment and intangible assets (domains and brand names) as part of the Acquisition.

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The effects on the financial position arising from the Acquisition are as follows:

	RM'000	RM'000
Property, plant and equipment		268
Right-of-use assets		538
Intangible assets		
- Software	73	
- Brand name	9,053	
- Goodwill	4,370	
	13,496	13,496
Trade and other receivables		8,177
Contract assets		4,305
Cash and cash equivalents		3,632
Lease liabilities		(542)
Trade and other payables		(2,480)
Contract liabilities		(3,758)
Current tax liabilities		(1,494)
Deferred tax liabilities		(25)
		22,117
Total identifiable net assets		22,117
Provisional goodwill		27,567
Non-controlling interest		(5,761)
		43,923
Purchase consideration #		43,923

Detailed breakdown of the purchase consideration:

		Via issuance of new Catcha Digital Shares		
		No. of new Catcha Digital Shares issued	Value of new Catcha Digital Shares (RM)	
	Via cash payment (RM)			Total consideration (RM)
Purchase consideration	-	40,000,000	10,000,000	10,000,000
First Hurdle Payment	9,000,000	24,000,000	6,000,000	15,000,000
Second Hurdle Payment	9,000,000	24,000,000	6,000,000	15,000,000
50% of the total purchase consideration for additional acquisition of each of Goody Technologies Sdn Bhd, Nara Media and Moretify undertaken by iMedia	3,169,200	3,013,200	753,300	3,922,500
Total	21,169,200	91,013,200	22,753,300	43,922,500

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A purchase price allocation exercise has been conducted on 21 February 2024 and the effects of the exercise are as follows:

	RM'000
Provisional goodwill	27,567
Less: Allocation of brand names' fair value	(15,293)
Provisional goodwill excluding brand names	12,274
Add: Deferred tax liability	5,843
Goodwill as at 31 December 2023	18,117

A12 – Material Subsequent Events

On 29 August 2023, iMedia executed a letter of intent (“**LOI**”) with Chan Lik Kiong for the preliminary indication of interest to acquire 70% equity interest in TR Media Bytes Sdn Bhd (“**TR Media**”). The LOI is valid up to 31 December 2023. On 29 December 2023, the aforementioned validity period was extended from 31 December 2023 to 31 January 2024. On 23 January 2024, iMedia entered into a share sale agreement with Chan Lik Kiong for the acquisition of 70 ordinary shares in TR Media (representing 70% equity interest in TR Media) for a purchase consideration of RM665,000.00.

On 9 October 2023, iMedia entered into a share sale agreement with Tan Guan Sheng and Wong Moo Voon for the acquisition of the remaining 980 ordinary shares in Ittify Sdn Bhd (“**Ittify**”) not owned by iMedia (representing 49% equity interest in Ittify) for a cash consideration of RM3,430,000. The acquisition was completed on 10 October 2023 and Ittify is now a wholly-owned subsidiary of iMedia.

On 9 October 2023, iMedia entered into a share sale agreement for the acquisition of 600 ordinary shares in Headline Media Sdn Bhd (“**Headline Media**”) (representing 30% equity interest in Headline Media) with the shareholders of Headline Media, namely Tan Yu Ang, Chan Jin Wen, Dylan Tan Ying Ren, Esther Lee Siew Ying, Sarah Yeoh Yu-En, Liu Chee Haw and Dotace Interactive Sdn Bhd, for a cash consideration of RM1,235,000. This acquisition was completed on 4 December 2023 and Headline Media is now a 30% associate company of iMedia.

On 28 November 2023, the Company executed a letter of intent with Kuhan Kumar A/L Palaniappan and Sarojah A/P Thandan for the preliminary indication of interest to acquire 51% equity interest in DS Services Sdn Bhd (“**DS Services**”).

There were no other material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13 – Changes in Composition of the Group

The acquisitions of Oh Media Sdn Bhd, Goody Technologies Sdn Bhd and Nara Media Sdn Bhd were completed on 7 September 2023 and the aforementioned companies are now wholly-owned subsidiaries of iMedia.

The acquisition of Ittify was completed on 10 October 2023 and this company is now a wholly-owned subsidiary of iMedia.

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

The acquisition of Headline Media was completed on 4 December 2023 and this company is now a 30% associate company of iMedia.

A14 – Changes in Contingent Liabilities or Contingent Assets

As at the date of this announcement, the Directors of the Company are not aware of any material contingent liabilities or contingent assets that may impact the financial performance of the Group.

A15 – Derivatives

There were no gain or loss on derivatives for the financial quarter under review.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE AMLR

B1 – Review of Performance

The Company completed the acquisition of iMedia Group on 7 March 2023. Post acquisition, iMedia Group contributed RM23.57 million in revenue and RM4.84 million in profit after tax to the Group for the cumulative 12-month financial period ended (“FPE”) 31 December 2023, resulted a consolidated profit after tax of RM2.06 million as compared to a loss after tax of RM1.20 million in the previous year corresponding financial period.

B2 – Material Changes to the Results of the Preceding Quarter

The Company completed the acquisition of iMedia Group on 7 March 2023. Post acquisition, iMedia Group contributed RM6.50 million in revenue and RM0.86 million in profit after tax to the Group for the 3-month FPE 31 December 2023.

The Group’s consolidated profit after tax in the 3-month FPE 31 December 2023 of RM0.11 million is RM0.44 million (or 80%) lower than the profit after tax of RM0.55 million in the 3-month FPE 30 September 2023. This was mainly due to the decrease in gross profit from RM4.75 million in the 3-month FPE 30 September 2023 to RM4.36 million in the 3-month FPE 31 December 2023. The drop in revenue and gross profit was mainly due to major brands cutting back on advertising spending. Further, a one-off adviser fee of RM0.25 million was paid to an outsourced finance director for his contributions throughout the regularisation plan.

B3 – Prospects

The Group intends to increase its presence in existing markets through strategic investments as well as mergers and acquisitions that are complementary to its business to enhance its operational efficiencies in terms of range of services and delivery methods and expand the Group’s solution portfolio. The Group believes that any potential mergers and acquisitions would enable it to expand and strengthen its solution offering and enhance its reputation among existing and potential clients.

B4 – Financial Forecast, Estimate or Projection

The Group did not publish any financial forecast, estimate or projection in any public documents.

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B5 – Taxation

	Current quarter ended 31 December 2023 RM'000	Preceding year corresponding quarter ended 31 December 2022 RM'000	Year to date ended 31 December 2023 RM'000	Preceding year to date ended 31 December 2022 RM'000
Malaysian income tax:-				
Current tax:				
- Current year	(377)	2	(1,520)	-
	<u>(377)</u>	<u>2</u>	<u>(1,520)</u>	<u>-</u>
Deferred tax:				
- Original and reversal of temporary differences	-	-	-	-
	<u>(377)</u>	<u>2</u>	<u>(1,520)</u>	<u>-</u>
Effective tax rate	(77.41%)	(0.63%)	(42.44%)	0%

Tax expense is recognised based on management's best estimate.

B6 – Status of Corporate Proposals Announced but not Completed

Save as disclosed in Note A12, there were no corporate proposals undertaken but not completed as at the date of this interim financial report.

B7 – Group's Borrowings and Debt Securities

The Group does not have any material local nor foreign borrowings as at the date of this announcement.

B8 – Material Litigation

There was no material litigation pending as at the date of this announcement.

B9 – Dividend

No dividend has been declared or paid as at the date of this announcement.

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B10 – Status of Utilisation of Proceeds

Catcha Digital raised RM29.71 million following the completion of a rights issue exercise on 31 July 2023 ("**Rights Issue**"). The table below sets out the status of utilisation of proceeds as at 21 February 2024.

Utilisation of proceeds	Actual proceeds raised (RM'000)	Actual utilisation (RM'000)	Balance unutilised (RM'000)	Expected timeframe for utilisation of proceeds from the completion of the Rights Issue
First Hurdle Payment and Second Hurdle Payment	18,000	18,000	-	Within 14 days
Working Capital	11,711	6,731	4,980	Within 24 months
Total	29,711	24,731	4,980	

B11 –Earnings/(Loss) per Catcha Digital Share

(a) *Basic earnings/(loss) per Catcha Digital Share ("**EPS/(LPS)**")*

Basic EPS/(LPS) of the Group is calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

		Current quarter ended 31 December		Year to date ended 31 December	
		2023	2022	2023	2022
Profit/ (Loss) for the period attributable to ordinary equity holders of the Company	(RM'000)	101	(387)	1,463	(1,200)
Weighted average number of ordinary shares in issue	('000)	352,085	134,640	352,085	134,640
Basic EPS/(LPS)	(sen)	0.03	(0.29)	0.42	(0.89)

(b) *Diluted EPS/(LPS)*

There is no dilution of share capital for the Group.

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B12 – Fair Value of Financial Liabilities

There was no gain or loss arising from fair value changes of financial liabilities for the current quarter and financial period under review as the Group did not have any financial liabilities measured at fair value.

B13 – Profit / (Loss) Before Taxation

	Current quarter ended 31 December		Year to date ended 31 December	
	2023 (RM'000)	2022 (RM'000)	2023 (RM'000)	2022 (RM'000)
Profit / (Loss) before tax is arrived at after charging / crediting:				
Interest income from placement in funds	42	5	90	17
Interest expense	8	-	(7)	-
Amortisation of intangible assets	(59)	-	(31)	-
Depreciation of property, plant and equipment	(141)	-	(482)	-

Other disclosure items pursuant to Appendix 9B Note 16 of the AMLR are not applicable.

B14 – Authorisation for Issue

These unaudited interim financial statements were authorised for issuance by the Board of Directors of the Company on 27 February 2024.

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