

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000
Revenue	16,070	7,041	16,070	7,041
Cost of sales	(10,488)	(3,301)	(10,488)	(3,301)
Gross profit	5,582	3,740	5,582	3,740
Other income	149	165	149	165
Administrative expenses	(5,328)	(5,123)	(5,328)	(5,123)
Net (loss)/gain on impairment of financial instruments	(53)	13	(53)	13
Finance costs	(18)	(7)	(18)	(7)
Share of results of an associate	139	(89)	139	(89)
Profit/(Loss) before tax	471	(1,301)	471	(1,301)
Taxation	(243)	(98)	(243)	(98)
Profit/(Loss) for the financial period	228	(1,399)	228	(1,399)
Other comprehensive income for the financial period				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange translation differences for foreign operations	69	945	69	945
Share of other comprehensive income of an associate	-	1	-	1
Total other comprehensive income for the financial period	69	946	69	946
Total comprehensive income/(loss) for the financial period	297	(453)	297	(453)

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾ (CONT'D)

	3-MONTH ENDED		YEAR-TO-DATE		
	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000	
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company	240	(1,386)	240	(1,386)	
- Non-controlling interests	(12)	(13)	(12)	(13)	
	228	(1,399)	228	(1,399)	
Total comprehensive income/(loss) attributable to:					
- Owners of the Company	309	(462)	309	(462)	
- Non-controlling interests	(12)	9	(12)	9	
	297	(453)	297	(453)	
Earnings/(Loss) per share attributable to owners of the Company (sen):					
Basic	Note B10	0.04	(0.24)	0.04	(0.24)
Diluted	Note B10	0.04	(0.24)	0.04	(0.24)

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	AS AT 31 March 2024 Unaudited	AS AT 31 December 2023 Audited
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,647	1,571
Right-of-use assets	1,428	1,683
Investment in an associate	6,949	6,810
Other investments	6,095	6,095
Deferred tax assets	237	237
Trade receivables	1,069	1,069
Other receivables	283	773
	<u>17,708</u>	<u>18,238</u>
CURRENT ASSETS		
Inventories	978	1,868
Contract assets	671	2,883
Trade receivables	20,958	6,940
Other receivables	8,317	5,613
Tax recoverable	338	324
Fixed deposits with licensed banks	5,546	5,549
Cash and bank balances	16,419	17,280
	<u>53,227</u>	<u>40,457</u>
TOTAL ASSETS	<u>70,935</u>	<u>58,695</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	41,400	41,400
Reserves	(10,648)	(10,717)
Retained earnings	10,525	10,285
Total equity attributable to owners of the Company	<u>41,277</u>	<u>40,968</u>
Non-controlling interests	191	203
TOTAL EQUITY	<u>41,468</u>	<u>41,171</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Employee benefits	220	220
Contract liabilities	363	1,060
Lease liabilities	901	976
	<u>1,484</u>	<u>2,256</u>

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾ (CONT'D)

	AS AT 31 March 2024 Unaudited	AS AT 31 December 2023 Audited
	RM'000	RM'000
CURRENT LIABILITIES		
Trade payables	8,551	3,361
Other payables	5,900	4,431
Contract liabilities	12,360	6,182
Lease liabilities	535	667
Tax payable	637	627
	27,983	15,268
TOTAL LIABILITIES	29,467	17,524
TOTAL EQUITY AND LIABILITIES	70,935	58,695
Number of ordinary shares in issue ('000)	577,066 ⁽²⁾	577,066 ⁽²⁾
NET ASSETS PER SHARE (sen)	7.15⁽²⁾	7.10⁽²⁾

Notes:

- (1) The basis of preparation of Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on number of ordinary shares in issue as at the end of the reporting period.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	Attributable to owners of the parent								
	Non-Distributable					Distributable			
	Share capital	Foreign currency translation reserve	Other reserves	Warrant reserve	Merger reserve	Retained earnings	Total	Non-controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	41,310	(721)	(38,202)	38,205	(11,004)	11,087	40,675	243	40,918
Loss for the financial period	-	-	-	-	-	(1,386)	(1,386)	(13)	(1,399)
Other comprehensive income for the financial period	-	924	-	-	-	-	924	22	946
Total comprehensive income/(loss) for the financial period	-	924	-	-	-	(1,386)	(462)	9	(453)
Transactions with owners									
Issuance of ordinary shares pursuant to:									
- Exercise of warrants ⁽²⁾	90	-	88	(88)	-	-	90	-	90
Expiration of warrants ⁽³⁾	-	-	38,117	(38,117)	-	-	-	-	-
Total transactions with owners	90	-	38,205	(38,205)	-	-	90	-	90
At 31 March 2023	41,400	203	3	-	(11,004)	9,701	40,303	252	40,555

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾ (CONT'D)

	Attributable to owners of the parent							Non-controlling interests RM'000	Total equity RM'000
	Non-Distributable				Distributable		Total RM'000		
	Share capital RM'000	Foreign currency translation reserve RM'000	Other reserves RM'000	Merger reserve RM'000	Retained earnings RM'000				
At 1 January 2024	41,400	285	3	(11,005)	10,285	40,968	203	41,171	
Profit/(Loss) for the financial period	-	-	-	-	240	240	(12)	228	
Other comprehensive income for the financial period	-	69	-	-	-	69	-	69	
Total comprehensive income/(loss) for the financial period	-	69	-	-	240	309	(12)	297	
At 31 March 2024	41,400	354	3	(11,005)	10,525	41,277	191	41,468	

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) On 16 January 2023, 560,000 warrants were converted into 560,000 Securemetric Shares at an exercise price of RM0.16 per ordinary share.
- (3) The warrants 2020/2023 had expired on 20 January 2023.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	YEAR-TO-DATE	
	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000
Operating Activities		
Profit/(Loss) before tax	471	(1,301)
Adjustments for:		
Impairment losses on trade receivables	7	30
Impairment losses on other receivables	46	-
Depreciation of property, plant and equipment ("PPE")	146	121
Depreciation of right-of-use ("ROU") assets	256	190
Finance costs	18	7
Interest income	(88)	(53)
Inventories written off	-	10
PPE written off	123	-
Reversal of impairment losses on trade receivables	-	(43)
Share of results of an associate	(139)	89
Unrealised loss on foreign exchange	14	127
Operating profit/(loss) before working capital changes	854	(823)
Changes in working capital:		
Inventories	889	(483)
Receivables	(16,237)	(3,937)
Payables	6,601	2,904
Contract assets/liabilities	7,693	2,072
	(1,054)	556
Cash used in operations	(200)	(267)
Interest paid	(18)	(7)
Interest received	88	53
Tax paid	(251)	(135)
Exchange fluctuation adjustment	76	924
Net cash (used in)/from operating activities	(305)	568

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

	YEAR-TO-DATE	
	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000
Investing Activities		
Dividend from an associate	-	200
Purchase of PPE	(343)	(132)
Net cash (used in)/from investing activities	(343)	68
Financing Activities		
Payment of lease liabilities	(213)	(180)
Proceeds from issuance of ordinary shares	-	90
Increase in fixed deposits pledged	(3)	(3)
Net cash used in financing activities	(216)	(93)
Net (decrease)/increase in cash and cash equivalents	(864)	543
Effect of exchange translation differences on cash and cash equivalents	(4)	32
Cash and cash equivalents at the beginning of the financial period	22,390	22,565
Cash and cash equivalents at the end of the financial period	21,522	23,140
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	16,419	15,037
Fixed deposits with licensed banks	5,546	8,533
	21,965	23,570
Less: Fixed deposits pledged to licensed banks	(443)	(430)
	21,522	23,140

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2024

A1. Basis of preparation

The interim financial report of Securemetric Berhad (“**SMB**” or “**the Company**”) and its subsidiaries (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134 *Interim Financial Reporting* and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

A2. Material accounting policies

The accounting policies adopted in the interim financial report are consistent with those as disclosed in the audited financial statements for the financial year ended 31 December 2023.

Unless otherwise described below, the Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and for the Company:

		Effective dates for financial periods <u>beginning on or after</u>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	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 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A2. Significant accounting policies (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

A3. Auditors' report

The auditors' report for the financial year ended 31 December 2023 was not subject to any qualifications.

A4. Seasonal or cyclical factors

The Group's revenue is subject to seasonality due to the annual budget cycles of certain of its customers.

The Group does not experience any cyclicity in its business because the digital security industry is not cyclical in nature. A cyclical industry is one which experiences predictable changes which recur over a period of several years.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

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

A6. Material changes in estimates

There were no material changes in the estimates in the current financial quarter under review.

SECUREMETRIC BERHAD
Registration No. 201701019864 (1234029-D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A7. Debt and equity securities

There were no issuance or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter under review.

A8. Dividends paid

There was no dividend paid during the current financial quarter under review and financial year-to-date.

A9. Contingent liabilities or contingent assets

Contingent liabilities

	AS AT 31 March 2024 Unaudited	AS AT 31 March 2023 Unaudited
	<u>RM'000</u>	<u>RM'000</u>
Secured		
Bank guarantees provided to customers to secure performance under contracts	<u>18</u>	<u>22</u>

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

A10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A11. Segmental reporting

The Group is principally involved in the provision of digital security solutions as well as trading of electronic identification products, and other related services.

(a) Revenue by business activities

The table below sets out the breakdown of the Group's revenue by business activities for the financial quarter/year-to-date ended 31 March 2024 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000
(a) Digital security solutions				
- Software licensing protection dongles	494	453	494	453
- 2FA	251	-	251	-
- PKI	5,645	3,033	5,645	3,033
- CENTAGATE®	845	595	845	595
Subtotal	7,235	4,081	7,235	4,081
(b) Electronic identification products	155	314	155	314
(c) Others*	8,680	2,646	8,680	2,646
Total Revenue	16,070	7,041	16,070	7,041

Note:

* Comprising mainly maintenance service charges.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A11. Segmental reporting (Cont'd)

(a) Revenue by business activities (Cont'd)

The main factors affecting the Group's revenue are as follows:

- (i) Rapid changes in technological development;
- (ii) Fluctuation in foreign currency exchange rates; and
- (iii) Ability to secure new projects and customers.

(b) Revenue by geographical regions

The table below sets out the breakdown of the Group's revenue by geographical regions for the financial quarter/year-to-date ended 31 March 2024 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000
Indonesia	1,043	1,280	1,043	1,280
Vietnam	1,865	1,093	1,865	1,093
Singapore	1,550	1,796	1,550	1,796
Philippines	3,803	715	3,803	715
Malaysia	6,909	1,488	6,909	1,488
United States of America	5	1	5	1
Others	895	668	895	668
Total Revenue	16,070	7,041	16,070	7,041

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A12. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

A13. Material events subsequent to the end of the current financial quarter

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A14. Significant related party transactions

There were no significant related party transactions in the current financial quarter under review.

A15. Capital commitments

There were no capital commitments in the current financial quarter under review.

[The rest of this page has been intentionally left blank]

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The Group recorded a revenue of RM16.07 million and profit before tax of RM0.47 million for the current financial quarter ended 31 March 2024. Digital security solutions segment recorded a revenue of RM7.24 million or approximately 45.02% of the Group's total revenue, electronic identification products segment recorded a revenue of RM0.15 million or approximately 0.97% of the Group's total revenue, while the others maintenance services segment recorded a revenue of RM8.68 million or approximately 54.01% of the Group's total revenue.

B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		Variance	
	31 March 2024	31 December 2023	RM'000	%
Revenue	16,070	14,712	1,358	9.23
Profit/(Loss) before tax	471	(1,689)	2,160	(127.89)

The Group's revenue for the current financial quarter ended 31 March 2024 increased by RM1.36 million or 9.23% to RM16.07 million as compared to RM14.71 million in the preceding financial quarter ended 31 December 2023. The increase in revenue was mainly due to the increase in revenue from 2FA (amounting to RM0.15 million), software licensing protection dongles (amounting to RM0.06 million) and others maintenance services (amounting to RM3.64 million). However, the increase was partially offset by the decrease in revenue from electronic identification products (amounting to RM0.18 million), PKI (amounting to RM1.80 million) and CENTAGATE® (amounting to RM0.51 million).

The Group's profit before tax for the current financial quarter increased by RM2.16 million or 127.89% to RM0.47 million compared to a loss before tax of RM1.69 million in the preceding financial quarter. The increase in profit before tax was mainly due to the absence of impairment losses on investments in the current financial quarter as compared to the preceding financial quarter.

B3. Prospects

During the financial quarter under review, the Group's operational performance has significantly improved as a result of the effectiveness of our strategic initiatives. These initiatives included exploring additional strategic partnerships to boost revenue, expanding the Group's business networks, evaluating new project opportunities across the Southeast Asia region, strengthening the efforts of sales and marketing teams for improved market penetration, and consistently optimising the Group's product offerings. Concurrently, the Group has proactively taken measures to reduce operating expenses by implementing cost-cutting measures and cross-training its staff for enhanced function versatility.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

B3. Prospects (Cont'd)

Looking ahead, the Information and Communications Technology (ICT) products and services industry is expected to grow continuously due to the widespread integration of ICT into various aspects of daily life and business operations. Consequently, the Group is well-placed to seize opportunities arising from digitalisation, especially in cybersecurity.

With our expertise in PKI and other areas of digital security, such as CENTAGATE® and SigningCloud, we are well positioned to leverage the momentum of digitalisation. Our capabilities enable us to play a vital role in safeguarding cyber assets and transactions, ensuring robust security measures in an increasingly digital world.

Barring any unforeseen circumstances, the Group remains cautiously optimistic about its future business outlook, bolstered by ongoing efforts to strengthen financial performance and ensure long-term sustainability.

B4. Profit forecast or profit guarantee

The Company did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5. Taxation

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000
Tax expenses recognised in profit or loss:				
- Income tax	<u>243</u>	<u>98</u>	<u>243</u>	<u>98</u>
Effective tax rate	51.59%	7.53%	51.59%	7.53%

- (a) The effective tax rate for the current financial quarter and year-to-date were higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes.
- (b) Tax expense is recognised based on management's best estimate.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

B6. Corporate proposal

(a) Status of corporate proposal

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

(b) Utilisation of proceeds

Utilisation of proceeds from private placement exercise

On 3 August 2021, 40,476,000 new Securemetric Shares, which were issued at RM0.139 each, were listed on the ACE Market of Bursa Malaysia Securities Berhad pursuant to Securemetric's private placement exercise ("Private Placement"). On 18 May 2023, the Company announced that the Company has extended the timeframe of the utilisation of proceeds raised from the Private Placement for certification costs and IT infrastructure till 2 August 2025.

The details of the utilisation of the proceeds from the Private Placement were as follows:

Details of utilisation	Proposed utilisation	Amount utilised	Deviation: Surplus/ (Deficit)	Balance	Original timeframe for	Revised
					utilisation of proceeds	timeframe for utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000		
Working capital	2,951	(2,978)	27	-	Utilised	Utilised
Certification costs	1,280	(64)	-	1,216	By August 2023	By August 2025
IT infrastructure	1,280	(1,280)	-	-	Utilised	Utilised
Expenses for Private Placement	115	(88)	(27) ⁽¹⁾	-	Utilised	Utilised
Total	5,626	(4,410)	-	1,216		

Note:

(1) The excess of RM0.027 million had been utilised for general working capital requirements of the Group.

SECUREMETRIC BERHAD
Registration No. 201701019864 (1234029-D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

B7. Borrowings

The Group's borrowings were as follows:

	AS AT 31 March 2024 Unaudited	AS AT 31 March 2023 Unaudited
	RM'000	RM'000
<u>Current:</u>		
Lease liabilities	535	487
<u>Non-current:</u>		
Lease liabilities	901	284
Total borrowings	1,436	771

All the Group's borrowings are denominated in Ringgit Malaysia.

B8. Material litigation

There was no material litigation involving the Group as at 31 March 2024.

B9. Dividend declared

No dividend has been declared for the current financial quarter.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

B10. Earnings/(Loss) per share

The basic earnings/(loss) per share (“EPS/LPS”) is calculated by dividing the consolidated profit/(loss) for the financial quarter/year-to-date attributable to owners of the Company by the weighted average number of ordinary shares of the Company during the financial quarter/year-to-date as follows:

		3-MONTH ENDED		YEAR-TO-DATE	
		31 March 2024 Unaudited	31 March 2023 Unaudited	31 March 2024 Unaudited	31 March 2023 Unaudited
Profit/(Loss) attributable to owners of the Company	(RM'000)	240	(1,386)	240	(1,386)
Weighted average number of ordinary shares (in units)					
Issued ordinary shares at 1 January	('000)	577,066	576,506	577,066	576,506
Effect of exercise of warrants	('000)	-	467	-	467
		<u>577,066</u>	<u>576,973</u>	<u>577,066</u>	<u>576,973</u>
Basic EPS/LPS	(sen)	<u>0.04</u>	<u>(0.24)</u>	<u>0.04</u>	<u>(0.24)</u>
Diluted EPS/LPS	(sen)	<u>0.04</u>	<u>(0.24)⁽¹⁾</u>	<u>0.04</u>	<u>(0.24)⁽¹⁾</u>

Notes:

- (1) Diluted loss per share is equivalent to the basic loss per share as the Company has no dilution in its loss per ordinary share as the conversion price of the warrants has exceeded the average market price of ordinary shares during the financial quarter/year-to-date, the warrants do not have any dilutive effect on the weighted average number of ordinary shares.

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2024

B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Depreciation of:				
- PPE	146	121	146	121
- ROU assets	256	190	256	190
Finance costs	18	7	18	7
PPE written off	123	-	123	-
Inventories written off	-	10	-	10
Impairment losses on trade receivables	7	30	7	30
Impairment losses on other receivables	46	-	46	-
Unrealised loss on foreign exchange	14	127	14	127
Realised loss/(gain) on foreign exchange	3	(23)	3	(23)
Reversal of impairment losses on trade receivables	-	(43)	-	(43)
Interest income	(88)	(53)	(88)	(53)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirement of Bursa Securities are not applicable.

BY ORDER OF THE BOARD

Company Secretary

Date: 30th May 2024