

SECUREMETRIC BERHAD

Registration No. 201701019864 (1234029-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2024

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

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
Revenue	11,364	8,345	27,434	15,386
Cost of sales	(4,443)	(3,271)	(14,931)	(6,572)
Gross profit	6,921	5,074	12,503	8,814
Other income	60	1,185	209	1,350
Administrative expenses	(5,608)	(4,857)	(10,936)	(9,980)
Net (loss)/gain on impairment of financial instruments	(496)	14	(549)	27
Finance costs	(23)	(6)	(41)	(13)
Share of results of an associate	(162)	(339)	(23)	(428)
Profit/(Loss) before tax	692	1,071	1,163	(230)
Taxation	(495)	(195)	(738)	(293)
Profit/(Loss) for the financial period	197	876	425	(523)
Other comprehensive (loss)/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	(733)	757	(664)	1,702
Share of other comprehensive loss of an associate	-	(1)	-	-
	(733)	756	(664)	1,702
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement on employee defined benefit plan, net of tax	(7)	-	(7)	-
Total other comprehensive (loss)/income for the financial period	(740)	756	(671)	1,702
Total comprehensive (loss)/income for the financial period	(543)	1,632	(246)	1,179

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

	3-MONTH ENDED		YEAR-TO-DATE		
	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company	203	896	443	(490)	
- Non-controlling interests	(6)	(20)	(18)	(33)	
	<u>197</u>	<u>876</u>	<u>425</u>	<u>(523)</u>	
Total comprehensive (loss)/income attributable to:					
- Owners of the Company	(528)	1,641	(219)	1,179	
- Non-controlling interests	(15)	(9)	(27)	-	
	<u>(543)</u>	<u>1,632</u>	<u>(246)</u>	<u>1,179</u>	
Earnings/(Loss) per share attributable to owners of the Company (sen):					
Basic	Note B10	<u>0.04</u>	<u>0.16</u>	<u>0.08</u>	<u>(0.08)</u>
Diluted	Note B10	<u>0.04</u>	<u>0.16</u>	<u>0.08</u>	<u>(0.08)</u>

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	AS AT 30 June 2024 Unaudited	AS AT 31 December 2023 Audited
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,101	1,571
Right-of-use assets	2,826	1,683
Investment in an associate	6,787	6,810
Other investments	6,095	6,095
Deferred tax assets	230	237
Trade receivables	1,033	1,069
Other receivables	322	773
	<u>19,394</u>	<u>18,238</u>
CURRENT ASSETS		
Inventories	1,117	1,868
Contract assets	353	2,883
Trade receivables	13,345	6,940
Other receivables	11,728	5,613
Tax recoverable	300	324
Fixed deposits with licensed banks	3,347	5,549
Cash and bank balances	18,022	17,280
	<u>48,212</u>	<u>40,457</u>
TOTAL ASSETS	<u>67,606</u>	<u>58,695</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	41,400	41,400
Reserves	(11,373)	(10,717)
Retained earnings	10,722	10,285
Total equity attributable to owners of the Company	<u>40,749</u>	<u>40,968</u>
Non-controlling interests	176	203
TOTAL EQUITY	<u>40,925</u>	<u>41,171</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Employee benefits	213	220
Contract liabilities	588	1,060
Lease liabilities	1,925	976
	<u>2,726</u>	<u>2,256</u>

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

	AS AT 30 June 2024 Unaudited	AS AT 31 December 2023 Audited
	RM'000	RM'000
CURRENT LIABILITIES		
Trade payables	3,695	3,361
Other payables	4,947	4,431
Contract liabilities	13,984	6,182
Lease liabilities	888	667
Tax payable	441	627
	23,955	15,268
TOTAL LIABILITIES	26,681	17,524
TOTAL EQUITY AND LIABILITIES	67,606	58,695
Number of ordinary shares in issue ('000)	577,066 ⁽²⁾	577,066 ⁽²⁾
NET ASSETS PER SHARE (sen)	7.06⁽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.

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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	-	-	-	-	-	(490)	(490)	(33)	(523)
Other comprehensive income for the financial period	-	1,669	-	-	-	-	1,669	33	1,702
Total comprehensive income/(loss) for the financial period	-	1,669	-	-	-	(490)	1,179	-	1,179
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 30 June 2023	41,400	948	3	-	(11,004)	10,597	41,944	243	42,187

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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	-	-	-	-	443	443	(18)	425	
Other comprehensive loss for the financial period	-	(656)	-	-	(6)	(662)	(9)	(671)	
Total comprehensive (loss)/income for the financial period	-	(656)	-	-	437	(219)	(27)	(246)	
At 30 June 2024	41,400	(371)	3	(11,005)	10,722	40,749	176	40,925	

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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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	YEAR-TO-DATE	
	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
Operating Activities		
Profit/(Loss) before tax	1,163	(230)
Adjustments for:		
Impairment losses on trade receivables	38	47
Impairment losses on other receivables	511	-
Depreciation of property, plant and equipment ("PPE")	295	245
Depreciation of right-of-use ("ROU") assets	525	391
Finance costs	41	13
Gain on disposal of an associate	-	(963)
Gain on early termination of lease	(2)	-
Interest income	(143)	(112)
Inventories written off	12	12
PPE written off	123	1
Reversal of impairment losses on trade receivables	-	(74)
Share of results of an associate	23	428
Unrealised (gain)/loss on foreign exchange	(27)	151
Operating profit/(loss) before working capital changes	2,559	(91)
Changes in working capital:		
Inventories	676	(246)
Receivables	(12,542)	(1,511)
Payables	803	2,908
Contract assets/liabilities	9,859	1,907
	(1,204)	3,058
Cash generated from operations	1,355	2,967
Interest paid	(41)	(13)
Interest received	143	112
Tax refund	47	-
Tax paid	(938)	(303)
Exchange fluctuation adjustment	(641)	1,650
Net cash (used in)/from operating activities	(75)	4,413

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

	YEAR-TO-DATE	
	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
Investing Activities		
Dividend from an associate	-	200
Purchase of PPE	(912)	(153)
Purchase of ROU assets	-	(67)
Net cash used in investing activities	(912)	(20)
Financing Activities		
Payment of lease liabilities	(501)	(346)
Proceeds from issuance of ordinary shares	-	90
Increase in fixed deposits pledged	(6)	(6)
Net cash used in financing activities	(507)	(262)
Net (decrease)/increase in cash and cash equivalents	(1,494)	4,131
Effect of exchange translation differences on cash and cash equivalents	27	112
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	20,923	26,808
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	18,022	18,120
Fixed deposits with licensed banks	3,347	9,121
	21,369	27,241
Less: Fixed deposits pledged to licensed banks	(446)	(433)
	20,923	26,808

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.

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INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2024

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 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:

		<u>Effective dates for financial periods 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
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A2. Material accounting policies (Cont'd)

Standards issued but not yet effective (Cont'd)

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:

		<u>Effective dates for financial periods beginning on or after</u>
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	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

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.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A6. Material changes in estimates

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

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 30 June 2024 Unaudited	AS AT 30 June 2023 Unaudited
	<u>RM'000</u>	<u>RM'000</u>
Secured		
Bank guarantees provided to customers to secure performance under contracts	<u>26</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.

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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 30 June 2024 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
(a) Digital security solutions				
- Software licensing protection dongles	625	428	1,119	881
- 2FA	74	337	325	337
- PKI	3,298	3,488	8,943	6,521
- CENTAGATE®	2,027	1,294	2,872	1,889
Subtotal	6,024	5,547	13,259	9,628
(b) Electronic identification products	200	149	355	463
(c) Others*	5,140	2,649	13,820	5,295
Total Revenue	11,364	8,345	27,434	15,386

Note:

* Comprising mainly maintenance service charges.

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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 30 June 2024 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
Indonesia	3,311	1,423	4,354	2,703
Vietnam	2,431	1,068	4,296	2,161
Singapore	1,295	866	2,845	2,662
Philippines	1,875	2,051	5,678	2,766
Malaysia	1,450	2,390	8,359	3,878
United States of America	0	51	5	52
Others	1,002	496	1,897	1,164
Total Revenue	11,364	8,345	27,434	15,386

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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.

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

B1. Review of performance

(a) Results for current quarter

The Group recorded a revenue of RM11.36 million and profit before tax of RM0.69 million for the current financial quarter ended 30 June 2024. Digital security solutions segment recorded a revenue of RM6.02 million or approximately 53.01% of the Group's total revenue, electronic identification products segment recorded a revenue of RM0.20 million or approximately 1.76% of the Group's total revenue, while the others maintenance services segment recorded a revenue of RM5.14 million or approximately 45.23% of the Group's total revenue.

(b) Results for financial year-to-date

The Group recorded a revenue of RM27.43 million and profit before tax of RM1.16 million for the current financial year-to-date ended 30 June 2024. The Group's revenue has increased by RM12.05 million or 78.30% as compared to preceding financial year-to-date ended 30 June 2023. The increase in revenue was mainly due to the increase in revenue from digital security solutions segment by RM3.63 million or 37.71% to RM13.26 million and others maintenance services segment by RM8.53 million or 161.00% to RM13.82 million. However, the increase was offset by the decrease in revenue from electronic identification products segment by RM0.11 million or 23.33% to RM0.35 million.

The Group recorded a higher profit after tax of RM0.43 million in current financial year-to-date ended 30 June 2024, an improvement of 181.26% compared to a loss after tax of RM0.52 million in the preceding financial year-to-date ended 30 June 2023.

B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		Variance	
	30 June 2024	31 March 2024	RM'000	%
Revenue	11,364	16,070	(4,706)	(29.28)
Profit before tax	692	471	221	46.92

The Group's revenue for the current financial quarter ended 30 June 2024 decreased by RM4.71 million or 29.28% to RM11.36 million as compared to RM16.07 million in the preceding financial quarter ended 31 March 2024. The decrease in revenue was mainly due to the decrease in revenue from 2FA (amounting to RM0.18 million), PKI (amounting to RM2.35 million) and others maintenance services (amounting to RM3.54 million). However, the decrease was partially offset by the increase in revenue from software licensing protection dongles (amounting to RM0.13 million), electronic identification products (amounting to RM0.05 million) and CENTAGATE® (amounting to RM1.18 million).

The Group's profit before tax for the current financial quarter increased by RM0.22 million or 46.92% to RM0.69 million compared to a profit before tax of RM0.47 million in the preceding financial quarter.

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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.

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	
	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
Tax expenses recognised in profit or loss:				
- Income tax	<u>495</u>	<u>195</u>	<u>738</u>	<u>293</u>
Effective tax rate	71.53%	18.21%	63.46%	127.39%

(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.

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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 timeframe for
					utilisation of proceeds	utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000		
Working capital	2,951	(2,978)	27	-	Utilised	Utilised
Certification costs	1,280	(70)	-	1,210	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	(4,416)	-	1,210		

Note:

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

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B7. Borrowings

The Group's borrowings were as follows:

	AS AT 30 June 2024 Unaudited	AS AT 30 June 2023 Unaudited
	RM'000	RM'000
<u>Current:</u>		
Lease liabilities	888	354
<u>Non-current:</u>		
Lease liabilities	1,925	629
Total borrowings	2,813	983

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

B8. Material litigation

There was no material litigation involving the Group as at 30 June 2024.

B9. Dividend declared

No dividend has been declared for the current financial quarter.

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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	
		30 June 2024 Unaudited	30 June 2023 Unaudited	30 June 2024 Unaudited	30 June 2023 Unaudited
Profit/(Loss) attributable to owners of the Company	(RM'000)	<u>203</u>	<u>896</u>	<u>443</u>	<u>(490)</u>
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)	<u>-</u>	<u>514</u>	<u>-</u>	<u>514</u>
		<u>577,066</u>	<u>577,020</u>	<u>577,066</u>	<u>577,020</u>
Basic EPS/LPS	(sen)	<u>0.04</u>	<u>0.16</u>	<u>0.08</u>	<u>(0.08)</u>
Diluted EPS/LPS	(sen)	<u>0.04</u>	<u>0.16⁽¹⁾</u>	<u>0.08</u>	<u>(0.08)⁽¹⁾</u>

Notes:

- (1) Diluted earnings/(loss) per share is equivalent to the basic earnings/(loss) per share as the Company has no dilution in its earnings/(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.

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

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Depreciation of:				
- PPE	149	124	295	245
- ROU assets	269	201	525	391
Finance costs	23	6	41	13
PPE written off	-	1	123	1
Inventories written off	12	2	12	12
Impairment losses on trade receivables	31	17	38	47
Impairment losses on other receivables	465	-	511	-
Unrealised (gain)/loss on foreign exchange	(41)	24	(27)	151
Realised loss/(gain) on foreign exchange	102	8	105	(15)
Reversal of impairment losses on trade receivables	-	(31)	-	(74)
Interest income	(55)	(59)	(143)	(112)
Gain on disposal of an associate	-	(963)	-	(963)
Gain on early termination of lease	(2)	-	(2)	-

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: 27th August 2024