

**Oppstar Berhad**

(Registration No. 202101031391 (1431691-M))  
(Incorporated in Malaysia under the Companies Act 2016)



**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023<sup>(1)</sup>**

|  | INDIVIDUAL QUARTER      |                         | CUMULATIVE QUARTER      |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Unaudited<br>31.12.2023 | Unaudited<br>31.12.2022 | Unaudited<br>31.12.2023 | Unaudited<br>31.12.2022 |
|  | RM'000                  | RM'000                  | RM'000                  | RM'000                  |
| Revenue  | 15,160                  | 14,606                  | 44,869                  | 43,421                  |
| Cost of sales  | (8,257)                 | (6,617)                 | (22,452)                | (18,446)                |
| Gross profit   | 6,903                   | 7,989                   | 22,417                  | 24,975                  |
| Other operating income   | 1,450                   | 32                      | 3,856                   | 1,266                   |
| Administrative expenses  | (2,766)                 | (1,967)                 | (8,543)                 | (5,767)                 |
| Development expenses   | (5)                     | (180)                   | (121)                   | (374)                   |
| Other operating expenses   | 161                     | 47                      | 78                      | (402)                   |
| Finance costs  | (11)                    | (6)                     | (23)                    | (23)                    |
| Profit before tax  | 5,732                   | 5,915                   | 17,664                  | 19,675                  |
| Taxation   | (1,082)                 | (1,452)                 | (3,704)                 | (4,874)                 |
| Profit for the financial period                                  | 4,650                   | 4,463                   | 13,960                  | 14,801                  |
| <b>Other comprehensive income, net of tax:</b>                   |                         |                         |                         |                         |
| Items that may be reclassified subsequently to profit or loss    |                         |                         |                         |                         |
| Foreign currency translations                                    | -                       | (32)                    | (1)                     | (47)                    |
| <b>Total comprehensive income</b>                                | <b>4,650</b>            | <b>4,431</b>            | <b>13,959</b>           | <b>14,754</b>           |
| <b>Profit attributable to:</b>                                   |                         |                         |                         |                         |
| Owners of the parent   | 4,647                   | 4,458                   | 13,984                  | 14,854                  |
| Non-controlling interests  | 3                       | 5                       | (24)                    | (53)                    |
|  | <b>4,650</b>            | <b>4,463</b>            | <b>13,960</b>           | <b>14,801</b>           |
| <b>Total comprehensive income attributable to:</b>               |                         |                         |                         |                         |
| Owners of the parent   | 4,647                   | 4,426                   | 13,983                  | 14,807                  |
| Non-controlling interests  | 3                       | 5                       | (24)                    | (53)                    |
|  | <b>4,650</b>            | <b>4,431</b>            | <b>13,959</b>           | <b>14,754</b>           |
| Earnings per share attributable to owners of the parent ("EPS"): |                         |                         |                         |                         |
| Basic <sup>(2)</sup> (sen)                                       | 0.73                    | 0.70                    | 2.20                    | 2.33                    |
| Diluted <sup>(2)</sup> (sen)                                     | 0.71                    | 0.70                    | 2.14                    | 2.33                    |

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**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023 <sup>(1)</sup> (Continued)**

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit Or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Please refer to Item B11 of this interim financial report for further details.

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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023<sup>(1)</sup>**

|  | Unaudited as at<br>31.12.2023<br>RM'000 | Audited as at<br>31.03.2023<br>RM'000 |
|--|---|---------------------------------------|
| <b>ASSETS</b>                                      |   |                                       |
| <b>Non-current assets</b>                          |   |                                       |
| Property, plant and equipment                      | 1,896                                   | 1,948                                 |
| Right-of-use assets                                | 797                                     | 595                                   |
| Goodwill   | 610                                     | 352                                   |
| <b>Current assets</b>                              |   |                                       |
| Project development cost                           | 1,451                                   | -                                     |
| Inventories  | -                                       | 152                                   |
| Other investments                                  | 17,936                                  | 5,631                                 |
| Trade and other receivables                        | 26,325                                  | 17,859                                |
| Contract assets                                    | 331                                     | 52                                    |
| Short term funds                                   | 89,654                                  | 107,845                               |
| Current tax assets                                 | 675                                     | 39                                    |
| Cash and bank balances                             | 12,318                                  | 6,895                                 |
| <b>TOTAL ASSETS</b>                                | <b>151,993</b>                          | <b>141,368</b>                        |
| <b>EQUITY AND LIABILITIES</b>                      |   |                                       |
| <b>Equity attributable to owners of the parent</b> |   |                                       |
| Share capital                                      | 108,873                                 | 108,873                               |
| Reserves   | 38,536                                  | 27,437                                |
|  | 147,409                                 | 136,310                               |
| Non-controlling interests                          | (1)                                     | 329                                   |
| <b>TOTAL EQUITY</b>                                | <b>147,408</b>                          | <b>136,639</b>                        |
| <b>Non-current liabilities</b>                     |   |                                       |
| Lease liabilities                                  | 319                                     | 173                                   |
| Deferred tax liabilities                           | 171                                     | 171                                   |
| <b>Current liabilities</b>                         |   |                                       |
| Trade and other payables                           | 3,408                                   | 3,215                                 |
| Lease liabilities                                  | 491                                     | 438                                   |
| Current tax liabilities                            | 196                                     | 732                                   |
| <b>TOTAL LIABILITIES</b>                           | <b>4,585</b>                            | <b>4,729</b>                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                | <b>151,993</b>                          | <b>141,368</b>                        |
| Net assets per share (sen) <sup>(2)</sup>          | 0.23                                    | 0.21                                  |

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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023<sup>(1)</sup>**  
**(Continued)**

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position is detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's total number of issued shares of 636,200,000 shares.

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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023<sup>(1)</sup>**

|   | Share capital  | Share option reserve | Foreign exchange translation reserve | Reorganisation debit reserve | Retained earnings | Total attributable to owners of the parent | Non-controlling interests | Total equity   |
|---|----------------|----------------------|--------------------------------------|------------------------------|-------------------|--|---------------------------|----------------|
|   | RM'000         | RM'000               | RM'000                               | RM'000                       | RM'000            | RM'000                                     | RM'000                    | RM'000         |
| Balance as at 1 April 2023                            | 108,873        | 140                  | (18)                                 | (6,160)                      | 33,475            | 136,310                                    | 329                       | 136,639        |
| Share options expenses                                | -              | 2,206                | -                                    | -                            | -                 | 2,206                                      | -                         | 2,206          |
| Profit for the financial period                       | -              | -                    | -                                    | -                            | 13,984            | 13,984                                     | (24)                      | 13,960         |
| Foreign currency translations                         | -              | -                    | (1)                                  | -                            | -                 | (1)  | -                         | (1)            |
| Acquisitions of shares from non-controlling interests | -              | -                    | -                                    | -                            | -                 | -  | (307)                     | (307)          |
| Dividends   | -              | -                    | -                                    | -                            | (5,090)           | (5,090)                                    | -                         | (5,090)        |
| Subscription of shares by non-controlling interest    | -              | -                    | -                                    | -                            | -                 | -  | 1                         | 1              |
| Total comprehensive income                            | -              | 2,206                | (1)                                  | -                            | 8,894             | 11,099                                     | (330)                     | 10,769         |
| <b>Balance as at 31 December 2023</b>                 | <b>108,873</b> | <b>2,346</b>         | <b>(19)</b>                          | <b>(6,160)</b>               | <b>42,369</b>     | <b>147,409</b>                             | <b>(1)</b>                | <b>147,408</b> |

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED  
31 DECEMBER 2023<sup>(1)</sup>**

|  | 9 months ended<br>31.12.2023<br>RM'000 | 9 months ended<br>31.12.2022<br>RM'000 |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |  |  |
| Profit before tax                                    | 17,664                                 | 19,675                                 |
| Adjustments for:                                     |  |  |
| Depreciation of property, plant and equipment        | 497                                    | 392                                    |
| Depreciation of right-of-use assets                  | 430                                    | 422                                    |
| Dividend income from other investments               | (128)                                  | (35)                                   |
| Fair value (gain)/loss on other investments          | (222)                                  | 279                                    |
| Gain on disposal of other investments                | (102)                                  | (29)                                   |
| Gain on re-measurement of previously held stakes     | -                                      | (50)                                   |
| Income distribution from other investments           | (155)                                  | (16)                                   |
| Interest expense                                     | 23                                     | 23                                     |
| Interest Income                                      | (168)                                  | (14)                                   |
| Share options expenses                               | 2,206                                  | -                                      |
| Unrealised loss/(gain) on foreign exchange           | 131                                    | (15)                                   |
| Written down of inventories                          | 129                                    | -                                      |
| Operating profit before changes in working capital   | 20,305                                 | 20,632                                 |
| Changes in working capital:                          |  |  |
| - inventories  | 23                                     | -                                      |
| - project development cost                           | (1,451)                                | -                                      |
| - trade and other receivables                        | (8,358)                                | (12,002)                               |
| - contract assets                                    | (280)                                  | 64                                     |
| - trade and other payables                           | (5)                                    | 2,272                                  |
| Cash generated from operations                       | 10,234                                 | 10,966                                 |
| Tax paid   | (4,876)                                | (4,777)                                |
| <b>Net cash from operating activities</b>            | <b>5,358</b>                           | <b>6,189</b>                           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |  |  |
| Acquisition of shares from non-controlling interests | (325)                                  | -                                      |
| Acquisition of a subsidiary, net of cash acquired    | (292)                                  | (158)                                  |
| Dividend received from other investments             | 128                                    | 35                                     |
| Income received from other investments               | 155                                    | 16                                     |
| Interest received                                    | 168                                    | 14                                     |
| Purchase of other investments                        | (11,982)                               | (265)                                  |
| Purchase of property, plant and equipment            | (439)                                  | (846)                                  |
| <b>Net cash used in investing activities</b>         | <b>(12,587)</b>                        | <b>(1,204)</b>                         |

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023<sup>(1)</sup> (Continued)**

|  | <b>9 months ended<br/>31.12.2023<br/>RM'000</b> | <b>9 months ended<br/>31.12.2022<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>              |   |   |
| Dividends paid   | (5,090)   | -   |
| Payment of lease liabilities                             | (455)   | (450)   |
| <b>Net cash used in financing activities</b>             | <b>(5,545)</b>                                  | <b>(450)</b>                                    |
| Net (decrease)/increase in cash and cash equivalents     | (12,774)  | 4,535   |
| Effect of foreign exchange rates changes                 | 6   | (5)   |
| Cash and cash equivalents at beginning of financial year | 114,740   | 11,171  |
| Cash and cash equivalents at end of financial period     | <b>101,972</b>                                  | <b>15,701</b>                                   |

**Note:**

- (1) The basis of preparation of the Unaudited Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2023 as disclosed in the Annual Report and the accompanying explanatory notes attached to this interim financial report.

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## A. NOTES TO THE INTERIM FINANCIAL REPORT

### A1. Basis of preparation

The interim financial report of Oppstar Berhad (“**Oppstar**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“**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**”) (“**Listing Requirements**”).

The interim financial statements should be read in conjunction with the Group’s audited financial statements for the financial year ended (“**FYE**”) 31 March 2023 as disclosed in the Annual Report. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the FYE 31 March 2023.

### A2. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in audited consolidated financial statements for the FYE 31 March 2023, except for the adoption of the following MFRSs and Amendment to MFRSs and Interpretation.

#### (a) New MFRSs adopted during the financial period

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the MASB during the financial periods:

| Title  | Effective Date |
|--|----------------|
| <i>Annual Improvements to MFRS Standards 2018 - 2020</i>                                   | 1 January 2022 |
| <i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>                          | 1 January 2022 |
| <i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i> | 1 January 2022 |
| <i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>            | 1 January 2022 |

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

#### (b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Company:

| Title   | Effective Date             |
|---|----------------------------|
| <i>MFRS 17 Insurance Contracts</i>  | 1 January 2023             |
| <i>Amendments to MFRS 17 Insurance Contracts</i>  | 1 January 2023             |
| <i>Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>                                  | 1 January 2023             |
| <i>Amendments to MFRS 101 Disclosure of Accounting Policies</i>   | 1 January 2023             |
| <i>Amendments to MFRS 108 Definition of Accounting Estimates</i>  | 1 January 2023             |
| <i>Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>                    | 1 January 2023             |
| <i>Amendments to MFRS 112 International Tax Reform - Pillar Two Model Rules</i>   | See MFRS 112 paragraph 98M |
| <i>Amendments to MFRS 16 Lease Liability in a Sale and Leaseback</i>  | 1 January 2024             |
| <i>Amendments to MFRS 101 Non-current Liabilities with Covenants</i>  | 1 January 2024             |
| <i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>   | 1 January 2024             |
| <i>Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure - Supplier Finance Arrangement</i> | 1 January 2024             |
| <i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>   | Deferred                   |



**A2. Significant Accounting Policies (Continued)**

**(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023**

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

**A3. Auditors' Report**

There was no qualification on the audited financial statements of the Group for the FYE 31 March 2023.

**A4. Seasonal or Cyclical Factors**

The business operations of the Group were not affected by any seasonal or cyclical trend during the current quarter and financial year under review.

**A5. Material Unusual Items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

**A6. Material Changes in Estimates**

There were no changes in estimates that have a material effect in the current quarter and financial year under review.

**A7. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter and financial year under review.

**A8. Dividend Paid**

No dividend was paid during the current quarter.

**A9. Segmental Information**

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely provision of integrated circuit design services, post-silicon validation services, software and engineering solutions and other related services.

No separate segment information is presented as the Directors view the Group as a single reportable segment.

**A10. Material Events Subsequent to the end of the Quarter**

There were no material events subsequent to the end of the current quarter.

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### **A11. Changes in the Composition of the Group**

- (i) On 21 Dec 2023, the Company's subsidiary, Oppstar Technology acquired 2,000 ordinary shares in Oppstar Japan Co., Ltd (formerly known as Tag Team Corporation) ("**Oppstar Japan**"), representing 100.00% equity interest in Oppstar Japan, for a total cash consideration of JPY23,000,000 (equivalent to RM0.76 million based on the exchange rate on 21 Dec 2023, being the payment date) ("**Acquisition**").

Pursuant to the completion of the Acquisition, Oppstar Japan has now become a 100%-owned subsidiary of the Company.

Saved as disclosed above, there were no other material changes in the composition of the Group for the current financial quarter under review.

### **A12. Contingent Liabilities and Contingent Assets**

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

### **A13. Material Capital Commitment**

There is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group's financial position as at the date of this interim financial report.

### **A14. Significant Related Party Transactions**

There were no significant related party transactions during the current quarter.

### **A15. Derivative Financial Instruments**

As at 31 December 2023, the Group does not have any derivatives financial instruments.

### **A16. Fair Value of Financial Liabilities**

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current quarter and financial year under review.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Review of Performance**

|                           | Individual Quarter |            | Cumulative Quarter |            |
|---------------------------|--------------------|------------|--------------------|------------|
|                           | 31.12.2023         | 31.12.2022 | 31.12.2023         | 31.12.2022 |
|                           | RM'000             | RM'000     | RM'000             | RM'000     |
| Revenue                   | 15,160             | 14,606     | 44,869             | 43,421     |
| Gross Profit ("GP")       | 6,903              | 7,989      | 22,417             | 24,975     |
| Profit before tax ("PBT") | 5,732              | 5,915      | 17,664             | 19,675     |

**Comparison with preceding year corresponding quarter**

The Group's revenue increased by approximately RM0.55 million or 3.79% from RM14.61 million in the corresponding quarter of the preceding year to approximately RM15.16 million in the current quarter under review. This increase was primarily attributed to higher revenue from turnkey design services, which rose by RM1.10 mil or 10.01%. However, the increase was partially offset by a net decrease in revenue from specific design service and post-silicon validation service of approximately RM0.55 million.

The Group's GP decreased by approximately RM1.09 million or 13.59%, from approximately RM7.99 million in the corresponding quarter of the preceding year to approximately RM6.90 million in the current quarter under review. The decrease in GP margin was mainly due to an increase in the labour costs, as the Group expanded its team of design engineers from a total of 203 personnel in the corresponding quarter of the preceding year to 264 personnel in the current quarter under review.

Meanwhile, the Group's PBT decreased by approximately RM0.18 million or 3.09%, largely due to the increased labour costs and administrative expenses. The decrease in PBT was partially offset by an increase in other operating income, mainly attributable to fair value gain on short-term funds and income distribution from short-term funds, which rose to approximately RM0.71 million in the current quarter under review compared to approximately RM0.05 mil in the corresponding quarter of the preceding year.

**Comparison with preceding year corresponding year-to-date**

The Group's revenue increased by approximately RM1.45 million or 3.33% from approximately RM43.42 million in the corresponding financial period of the preceding year to approximately RM44.87 million for the current financial period under review. The increase in the Group's revenue was due to a rise in revenue from specific design services of approximately RM2.79 million attributable to new customers secured during the financial period under review. Additionally, there was an increase in revenue from post-silicon validation services of approximately RM0.51 million. However, the increase was partially offset by a decrease in revenue from turnkey design service of approximately RM1.85 million.

The Group's GP decreased by approximately RM2.56 million or 10.24%, from approximately RM24.98 million in the corresponding financial period of the preceding year to approximately RM22.42 million for the current financial period under review. The decrease in GP margin was primarily due to an increase in labour costs, as the Group expanded its team of design engineers from a total of 203 personnel in the preceding year's corresponding financial period of the preceding year to a total of 264 personnel in current financial period under review.

Meanwhile, the Group's PBT decreased by approximately RM2.01 million or 10.22% from approximately RM19.68 million in the corresponding financial period of the preceding year to approximately RM17.66 million for the current financial period under review. The PBT was after taking into account other operating income (mainly attributable to fair value gain on short-term funds and income distribution from short-term funds) of approximately RM3.86 million for the current financial period under review, as well as administrative expenses (mainly attributable to share option expenses, staff costs and depreciation expenses) of approximately RM8.54 million for the current financial period under review.

For the current quarter and financial period under review, the Group's share option expenses were approximately RM0.70 million and RM2.21 million, respectively.

**B2. Comparison with Immediate Preceding Quarter**

|                     | Individual Quarter |            |
|---------------------|--------------------|------------|
|                     | 31.12.2023         | 30.09.2023 |
|                     | RM'000             | RM'000     |
| Revenue             | 15,160             | 14,028     |
| Gross Profit ("GP") | 6,903              | 6,806      |
| PBT                 | 5,732              | 5,094      |

The Group's revenue increased by approximately RM1.13 million or 8.07%, rising from approximately RM14.03 million in the preceding quarter to approximately RM15.16 million in the current quarter under review. This increase was primarily attributed to a rise in revenue from turnkey design services, which grew by RM2.28 million or 23.98%. However, the increase was partially offset by a net decrease in revenue from specific design service and post-silicon validation service of approximately RM1.15 million.

The Group's GP increased by approximately RM0.01 million or 1.43%, from approximately RM6.81 million in the preceding quarter to approximately RM6.90 million in the current quarter under review. This increase was primarily due to a rise in revenue.

The Group's PBT also increased by approximately RM0.64 million or 12.52%, from approximately RM5.09 million in the preceding quarter to approximately RM5.73 million in the current quarter under review. This increase was mainly driven by the increased revenue, especially from turnkey design services.

**B3. Prospects**

The Board remains cautiously optimistic about the Group's prospects, especially in light of the current stabilising growth in the semiconductor industry. This period of steady growth presents the Group with unique opportunities to solidify its market position and expand strategically.

In the near term, the Group's operations will continue to focus in its established geographical markets. Alongside this, a key aspect of the Group's strategy involves seeking and nurturing partnerships that offer long-term business opportunities. The Group is seeking to collaborate with partners who align with its business goals and contribute to its sustained growth and stability in the industry.

As the Group progresses, its efforts will centre on executing the strategies outlined in its Prospectus, with a particular emphasis on expanding its IC design presence internationally. The Group aims to target markets where its competitive advantage is most pronounced. Additionally, the Group is actively developing strategies to ensure more sustainable revenue streams. This includes diversifying its service offerings to enhance the recurring revenue, thus laying a solid foundation for financial resilience and growth.

Attracting top-tier talent remains a critical component of the Group's medium-term growth strategy. The Group is confident in its ability to hire and retain industry-leading professionals, recognising that their expertise is vital to the Group's success. Strengthening the team with such skilled and dedicated individuals positions the Group well to navigate and thrive in the evolving semiconductor market landscape, marked by stabilising growth and emerging opportunities.

**B4. Profit Forecast**

The Group did not issue any profit estimate, forecast, projection or internal targets in any public document.

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**B5. Taxation**

The Group's taxation together with the comparison between the effective and statutory tax rates for the current quarter and financial period under review are as follows:

|   | INDIVIDUAL QUARTER                |                                   | CUMULATIVE QUARTER                       |  |
|---|-----------------------------------|-----------------------------------|--|--|
|   | Unaudited<br>31.12.2023<br>RM'000 | Unaudited<br>31.12.2022<br>RM'000 | 9-month<br>ended<br>31.12.2023<br>RM'000 | 9-month<br>ended<br>31.12.2022<br>RM'000 |
| <b>Income tax</b>   |                                   |                                   |  |  |
| Current tax expenses based on profit for the financial period   |                                   |                                   |  |  |
| - current financial period                                      | 159                               | 669                               | 852                                      | 2,255                                    |
| - under/(over) provision of tax expense in prior years          | (17)                              | -                                 | (20)                                     | 45                                       |
| <b>Deferred tax</b>   |                                   |                                   |  |  |
| - Relating to origination and reversal of temporary differences | -                                 | -                                 | -  | 6  |
| - Overprovision in prior period                                 | -                                 | -                                 | -  | (20)                                     |
| <b>Withholding tax expenses</b>                                 | 940                               | 783                               | 2,872                                    | 2,588                                    |
| <b>Overall tax expenses</b>                                     | <b>1,082</b>                      | <b>1,452</b>                      | <b>3,704</b>                             | <b>4,874</b>                             |
| Effective tax rate (%)  | 18.88                             | 24.55                             | 20.97                                    | 24.77                                    |
| Statutory tax rate (%)  | 24.00                             | 24.00                             | 24.00                                    | 24.00                                    |

**Notes:**

The Group's effective tax rate was at 18.88% for current quarter under review and 20.97% for the financial period under review which were lower than the statutory tax rate of 24.00%. This was mainly due to:

- (i) double tax deduction received for research collaborations with approved research institutes in Malaysia; and
- (ii) the MSC status granted to Oppstar Microelectronics, which has 70% tax exemption on income derived from IC design and post-silicon validation services.

**B6. Status of Corporate Proposals**

There were no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

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**B7. Utilisation of Proceeds from the IPO**

The gross proceeds from the IPO amounting to RM104.25 million is expected to be utilised in the following manner:

| Details of the use of proceeds                        | Estimated timeframe for the use of proceeds upon the Listing <sup>(1)</sup> | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Utilisation Rate % |
|---|---|-----------------------------|---------------------------|--------------------|
| Business expansion through expansion of our workforce | Within thirty-six (36) months   | 50,000                      | 2,340                     | 4.68               |
| Establishment of new offices                          | Within thirty-six (36) months   | 25,000                      | -                         | -                  |
| R&D expenditure                                       | Within thirty-six (36) months   | 12,000                      | 1,451                     | 12.09              |
| Working capital                                       | Within twenty-four (24) months  | 12,652                      | 2,558                     | 20.22              |
| Estimated listing expenses                            | Within two (2) months   | 4,600                       | 4,600                     | 100.00             |
| <b>Total</b>  |   | <b>104,252</b>              | <b>10,949</b>             | <b>10.50</b>       |
|   |   |                             |                           |                    |

**Note:**

(1) From the date of listing of the Company on the ACE Market of Bursa Securities on 15 March 2023.

**B8. Group Borrowings and Debt Securities**

The Group do not have any bank borrowings as at the date of this interim financial report.

**B9. Material Litigation**

There are no litigation or arbitration which have a material effect on the financial position of the Group. The Board is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

**B10. Proposed Dividend**

On 26 February 2024, The Board has recommended an interim single tier tax-exempt dividend of RM0.005 per ordinary share, amounting to approximately RM3.20 million in respect of the FYE 31 March 2024, which is to be paid on 03 April 2024 to shareholders of the Company whose names appear in the Record of Depositors on 18 March 2024.

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**B11. Earnings Per Share**

The basic and diluted EPS for the current quarter and financial year are computed as follows:

|   | INDIVIDUAL QUARTER      |                         | CUMULATIVE QUARTER          |                             |
|---|-------------------------|-------------------------|-----------------------------|-----------------------------|
|   | Unaudited<br>31.12.2023 | Unaudited<br>31.12.2022 | 9-month ended<br>31.12.2023 | 9-month ended<br>31.12.2022 |
| Profit attributable to the owners of the parent (RM'000)                    | 4,647                   | 4,458                   | 13,984                      | 14,854                      |
| Weighted average number of ordinary shares in issue (unit) ('000)           | 636,200                 | 636,200                 | 636,200                     | 636,200                     |
| Basic EPS <sup>(1)</sup> (sen)  | 0.73                    | 0.70                    | 2.20                        | 2.33                        |
| Effect of dilution share options ('000)                                     | 17,456                  | -                       | 17,456                      | -                           |
| Weighted average number of ordinary shares in issue (Diluted) (unit) ('000) | 653,656                 | 636,200                 | 653,656                     | 636,200                     |
| Diluted EPS <sup>(2)</sup> (sen)  | 0.71                    | 0.70                    | 2.14                        | 2.33                        |

**Notes:**

- (1) Basic EPS is calculated by dividing the profit attributable to owners of the parent by the Company's weighted average number of ordinary shares of 636,200,000 shares.
- (2) Diluted EPS is calculated by dividing the profit attributable to owners of the parent by the Company's weighted average number of ordinary shares of 653,655,900 shares after adjusted for the effects of dilutive potential ordinary shares.

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**B.12 Profit Before Tax**

Profit before tax is arrived at after charging/(crediting):

|   | <b>9-month ended<br/>31.12.2023</b> | <b>9-month ended<br/>31.12.2022</b> |
|---|-------------------------------------|-------------------------------------|
|   | <b>RM'000</b>                       | <b>RM'000</b>                       |
| Depreciation of property, plant and equipment | 497                                 | 392                                 |
| Depreciation of right-of-use assets           | 430                                 | 422                                 |
| Dividend income from other investments        | (128)                               | (35)                                |
| Fair value (gain)/loss on other investments   | (222)                               | 279                                 |
| Fair value gain on short-term funds           | (1,749)                             | (104)                               |
| Gain on disposal of other investments         | (102)                               | (29)                                |
| Government grant                              | (585)                               | (995)                               |
| Interest expenses                             | 23                                  | 23                                  |
| Interest income                               | (168)                               | (14)                                |
| Income distribution from short-term funds     | (613)                               | (3)                                 |
| Income distribution from other investments    | (155)                               | (16)                                |
| Realised (gain)/loss on foreign exchange      | (254)                               | 133                                 |
| Unrealised loss/(gain) on foreign exchange    | 131                                 | (15)                                |

Save as disclosed above, the other disclosure items pursuant to Note 16, of Appendix 9B of the Listing Requirements are not applicable.

**BY ORDER OF THE BOARD**  
**26 February 2024**