



CLOUDPOINT TECHNOLOGY BERHAD

(Registration No. 202101020879 (1421179-X))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED
31 MARCH 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE
CURRENT QUARTER AND PERIOD TO DATE ENDED 31 MARCH 2024⁽¹⁾**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS		YEAR-TO-DATE	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue	34,663	19,400	34,663	19,400
Cost of sales	(27,652)	(13,519)	(27,652)	(13,519)
Gross profit	7,011	5,881	7,011	5,881
Other income	107	1	107	1
Administrative expenses	(1,516)	(1,148)	(1,516)	(1,148)
Selling and distribution expenses	(1,036)	(766)	(1,036)	(766)
Operating profit	4,566	3,968	4,566	3,968
Finance income	304	27	304	27
Finance costs	(1)	(4)	(1)	(4)
Profit before tax	4,869	3,991	4,869	3,991
Tax expense	(1,168)	(980)	(1,168)	(980)
Profit after tax/ Total comprehensive income	3,701	3,011	3,701	3,011
Profit after tax/ Total comprehensive income attributable to:				
Owners of the Company	3,701	3,011	3,701	3,011
Non-controlling interests	-	-	-	-
	3,701	3,011	3,701	3,011
Basic earnings per share attributable to owners of Company (sen)⁽²⁾	0.70	0.67	0.70	0.67

Notes:

- 1) The basis of preparation of the unaudited condensed consolidated statement of profit or loss and other comprehensive income is 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) Basic earnings per share is computed based on profit attributable to owners of the Company divided by the Company's weighted average number of ordinary shares as disclosed in Note B10.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	UNAUDITED AS AT 31 March 2024	AUDITED AS AT 31 December 2023
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	7,703	6,382
Deferred tax assets	1,397	1,397
	<u>9,100</u>	<u>7,779</u>
Current assets		
Inventories	6,881	7,096
Trade receivables	9,976	29,719
Other receivables	6,353	2,086
Contract assets	15,673	14,000
Other investment	20,699	5,597
Cash and short-term deposits	36,948	45,406
	<u>96,530</u>	<u>103,904</u>
Total assets	<u>105,630</u>	<u>111,683</u>
Equity		
Share capital/Invested equity	54,944	54,944
Merger (deficit) / reserve	(14,150)	(14,150)
Retained earnings	28,603	30,218
	<u>69,397</u>	<u>71,012</u>
Non-controlling interests	2	2
Total equity	<u>69,399</u>	<u>71,014</u>
Non-current liabilities		
Lease liability	-	-
Current liabilities		
Lease liability	34	85
Current tax liabilities	2,515	2,396
Trade payables	13,414	14,882
Other payables	3,964	4,086
Dividend payable	5,316	5,316
Contract liabilities	10,988	13,904
	<u>36,231</u>	<u>40,669</u>
Total liabilities	<u>36,231</u>	<u>40,669</u>
Total equity and liabilities	<u>105,630</u>	<u>111,683</u>
Net assets per share attributable to owners of the Company (sen)	<u>13.05</u>	<u>13.36</u>

Notes:

- 1) The basis of preparation of the unaudited condensed consolidated statement of financial position is 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 equity attributable to owners of the Company divided by the Company's number of ordinary shares of 531,600,000 at the end of the reporting period.

CLOUDPOINT TECHNOLOGY BERHAD

(Registration No. 202101020879 (1421179-X))

(Incorporated in Malaysia)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

Unaudited	Invested equity/ Share capital	Non-Distributable reserve	Distributable reserve	Sub-total	Non-controlling Interest	Total
	RM'000	Merger reserve RM'000	Retained earnings RM'000			
Balance as at 1 January 2023	1,500	-	19,297	20,797	-	20,797
Profit for the financial period, representing total comprehensive income for the financial period	-	-	3,011	3,011	-	3,011
Transaction with owners						
Shares issued for the Acquisition	14,150	(14,150)	-	-	-	-
Balance as at 31 March 2023	15,650	(14,150)	22,308	22,308	-	23,808
Balance as at 1 January 2024	54,944	(14,150)	30,218	71,012	2	71,014
Profit for the financial period, representing total comprehensive income for the financial period	-	-	3,701	3,701	-	3,701
Dividend paid on shares	-	-	(5,316)	(5,316)	-	(5,316)
Balance as at 31 March 2024	54,944	(14,150)	28,603	69,397	2	69,399

Note:

- (1) The basis of preparation of the unaudited condensed consolidated statement of changes in equity is 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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	CURRENT PERIOD TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 March 2024	31 March 2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,869	3,991
Adjustments for:		
Depreciation of property, plant & equipment	180	133
Property, plant and equipment written off	2	-
Dividend income from other investment	(30)	-
Net fair value gain on other investment	(76)	-
Finance costs	1	4
Finance income	(304)	(27)
Operating profit before changes in working capital	<u>4,642</u>	<u>4,101</u>
<u>Changes in Working Capital:</u>		
Inventories	216	(4,194)
Trade receivables	19,743	8,305
Other receivables	(4,263)	(2,669)
Contract assets	(1,674)	5,655
Trade payables	4,020	(3,029)
Other payables	(5,610)	(4,826)
Contract liabilities	(2,916)	(51)
Net cash generated from operations	<u>14,158</u>	<u>3,292</u>
Income tax paid	(1,050)	(750)
Income received	304	27
Net cash from operating activities	<u>13,412</u>	<u>2,569</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,503)	(373)
Purchase of other investment	(15,000)	-
Placement of deposits with a licensed bank	(15,233)	-
Net cash used in investing activities	<u>(31,736)</u>	<u>(373)</u>

CLOUDPOINT TECHNOLOGY BERHAD

(Registration No. 202101020879 (1421179-X))

(Incorporated in Malaysia)



	CURRENT PERIOD TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 March 2024	31 March 2023
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of shares	-	-
Interest paid	(1)	(4)
Repayment of lease liability	(51)	(48)
Dividend paid	(5,316)	(8,000)
Amount owing to director	-	(119)
Net cash used in financing activities	(5,368)	(8,171)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,692)	(5,975)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	45,406	11,453
Effect of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	21,714	5,478

Note:

- (1) The basis of preparation of the above unaudited condensed consolidated statement of cash flows is 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.

[The rest of this page is intentionally left blank]

A EXPLANATORY NOTES PURSUANT TO MFRS 134**A1 Basis of preparation**

The interim financial statements are unaudited and had been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRSs") 134 "Interim Financial Reporting" and Note 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

This is the first interim financial statement on the unaudited condensed consolidated financial results for the first quarter ended 31 December 2024 announced by Cloudpoint Technology Berhad ("Company") and its subsidiary ("Group") in compliance with the Listing Requirements.

The unaudited interim financial statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes are attached to this interim financial report.

The accounting policies applied by the Group are consistently applied for the financial periods presented in these unaudited interim financial statements.

Adoption of new MFRS and amendments/improvements to MFRSs

The Group has adopted the following new MFRS and amendments/improvements to MFRSs that are mandatory for the current financial period:

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investment in Associates and Joint Ventures	Deferred

The adoption of these standards and amendments are not expected to have any material impact on the financial statements of the Group in the period of initial application.

[The rest of this page is intentionally left blank]

A2 Auditors' report

There was no qualified audit report issued by the auditors on the audited financial statements for the financial year ended 31 December 2023.

A3 Seasonal or cyclical factors

The Group's interim operations were not subjected to any significant seasonal or cyclical factors.

A4 Material unusual items

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

A5 Changes in estimates

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the current quarter and financial period under review.

A6 Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayments of debt and equity securities by the Group during the interim financial reporting period under review.

A7 Dividends paid

The Company paid the following dividends:

- i) First Interim Single-Tier Dividend of RM0.01 per share in respect of the financial year ended 31 December 2023, amounting to RM5,316,000.00 paid on 2 January 2024.
- ii) Second Interim Single-Tier Dividend of RM0.01 per share in respect of the financial year ended 31 December 2023, amounting to RM5,316,000.00 paid on 2 April 2024.

[The rest of this page is intentionally left blank]

CLOUDPOINT TECHNOLOGY BERHAD

(Registration No. 202101020879 (1421179-X))

(Incorporated in Malaysia)

**A8 Segment information**

The unaudited segment information for the individual quarter ended 31 March 2024 is as follows:

	Project-based income model RM'000	Recurring income model RM'000	Digital Applications and Cloud Services income model RM'000	Total RM'000
31 March 2024				
Revenue:				
Revenue from external customers	29,298	3,866	1,499	34,663
Segment profit	3,798	2,889	324	7,011
Other income				107
Unallocated expenses				(2,552)
Finance income				304
Finance costs				(1)
Income tax expense				(1,168)
Profit for the financial period				3,701
Results:				
<i>Included in the measure of segment profit are:</i>				
Depreciation of property, plant and equipment				180
Employee benefits expense				3,140

CLOUDPOINT TECHNOLOGY BERHAD

(Registration No. 202101020879 (1421179-X))

(Incorporated in Malaysia)

**A8 Segment information (continued)**

The unaudited segment information for the individual quarter ended 31 March 2023 is as follows:

	Project-based income model RM'000	Recurring income model RM'000	Digital Applications and Cloud Services income model RM'000	Total RM'000
31 March 2023				
Revenue:				
Revenue from external customers	13,501	5,570	329	19,400
Segment profit	2,836	3,021	24	5,881
Other income				1
Unallocated expenses				(1,914)
Finance income				27
Finance costs				(4)
Income tax expense				(980)
Profit for the financial period				3,011
Results:				
<i>Included in the measure of segment profit are:</i>				
Depreciation of property, plant and equipment				133
Employee benefits expense				2,685

A9 Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment in the current quarter.

A10 Material events subsequent to the end of the quarter

Save as disclosed in Note A6, there was no material event subsequent to the end of the current quarter and financial period under review.

A11 Changes in the composition of the group

Save as disclosed in Note A6 and below, there were no changes to the composition of the Group for the current quarter and financial period under review.

A12 Capital commitments

There were no capital commitments in the Group for the quarter under review.

A13 Related party transactions

There were no material related party transactions during the current quarter and financial period under review.

	Individual quarter		Cumulative quarter	
	ended 31 March		ended 31 March	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Rental expenses paid to company owned by a Director of the Company	-	3	-	3

[The rest of this page is intentionally left blank]

B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET
B1 Review of performance

	Individual Quarter		Cumulative Quarter	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Revenue	34,663	19,400	34,663	19,400
Gross profit	7,011	5,881	7,011	5,881
Profit before tax	4,869	3,991	4,869	3,991
Profit after tax	3,701	3,011	3,701	3,011

Current quarter

For the financial quarter ended 31 March 2024, the Group recorded a revenue of RM34.66 million.

The Group's revenue for the financial quarter under review was mainly derived from the Group's offering of project-based income which comprises of networking and cybersecurity solutions, contributing revenue of RM29.30 million or 84.52% of the Group's total revenue. Meanwhile, the Group's new offering of digital applications and cloud services also contributed a revenue of RM1.50 million during the financial quarter under review.

Apart from the revenue contribution from solutions implementation, the Group also recorded a revenue of RM3.87 million from the recurring income segment from the offering of professional information technology ("IT") services, which represent 11.15% of the Group's total revenue for the current financial quarter under review.

During the quarter, the Group registered a profit before tax and profit after tax of RM4.87 million and RM3.70 million respectively.

B2 Comparison with immediate preceding quarter's results

The increase was mainly due to the following:

- (i) Contribution from a network infrastructure renewal project for a customer with headquarters located in Jalan Perak, Kuala Lumpur, amounted to RM2.76 million. The Group recognized RM2.14 million of the project's value in Q1 2024.
- (ii) Contribution from a network infrastructure project upgrade from a new customer with headquarters located in Jalan Raja Laut, Kuala Lumpur, with a project equipment value of RM4.30 million, was fully recognized in Q1 2024.
- (iii) Contribution from a cybersecurity solution subscription project for a customer located in Bukit Damansara, Kuala Lumpur, amounted to RM3.13 million. The Group recognized RM2.48 million of the project's value in Q1 2024.
- (iv) Contribution from a cybersecurity solution subscription project for a customer located in Bukit Damansara, Kuala Lumpur, amounted to RM2.66 million. The Group recognized RM2.43 million of the project's value in Q1 2024.

- (v) Contribution from a cybersecurity solution subscription project for a customer located in Jalan Tun Razak, Kuala Lumpur, amounted to RM6.13 million. The Group recognized RM6.12 million of the project's value in Q1 2024.
- (vi) Contribution from a cloud services project for a customer located in Jalan Tuanku Abdul Rahman, Kuala Lumpur, amounted to RM1.66 million. The Group recognized RM0.85 million of the project's value in Q1 2024.

B3 Prospects

The Group achieved another quarter of impressive YoY growth, with significant momentum across project-based revenue streams. Notably, we have successfully onboarded one of the top banks in the country, extending our reach to five of the top six banks nationwide. We are optimistic that our project-based revenue will maintain its strong trajectory throughout the year, driven by several potential data centre technology refresh contracts on the horizon. This is further spurred by the rising demand for cybersecurity solutions as our clients increasingly seek AI-based solutions for threat prevention, detection, and threat hunting.

Our Digital Applications and Cloud Services segment is also beginning to make more significant contributions, with several new projects scheduled for implementation this year, positioning this segment for substantial growth. The momentum in project-based revenue is expected to naturally drive growth in our recurring revenue, as clients typically enter into service and maintenance contracts following project completion. During Q1 2024, we were finalising several service and maintenance contracts due for renewal and anticipate a pickup in recurring revenue in the coming quarters.

The data centre market in Malaysia is booming, fueled by substantial investment from global data centre providers and hyperscalers. We aim to position Cloudpoint as a key player in this rapidly expanding landscape. We are investing in enabling Cloudpoint to become a comprehensive and end-to-end solutions provider for data centre and cloud services. Cloudpoint aims to offer our customers a seamless experience from sourcing, building, and managing their infrastructures through a single provider.

As our customers increasingly incorporate Artificial Intelligence ("AI") into their core business operations, Cloudpoint will seek opportunities to collaborate with partners to offer AI-based solutions across digital applications, cybersecurity, infrastructure, and data centre. With the explosion of generative AI ("Gen AI"), we foresee many Gen AI use cases in the space we serve. With our strong track record, trend foresight and solid financial footing, Cloudpoint is well positioned to capture market opportunities in the hottest sectors of the technology industry.

B4 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public documents.

[The rest of this page is intentionally left blank]

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Income tax expense:				
Current financial period	(1,168)	(980)	(1,168)	(980)
Effective tax rate	24.0%	24.6%	24.0%	24.6%

The effective tax rate was higher than the statutory tax rate of 24.0% mainly due to non-deductible expenses which mainly comprises professional fees associated with the Listing Expenses.

B6 Status of corporate proposals and utilisation of proceedsProposed Acquisitions

The Company had on 6 February 2024 entered into a binding Term Sheet ("**TS**") with Foo Choy Lim, Wong Wee Kiong and Tan Ki Lok (collectively "**Vendors**") to negotiate the detailed terms and conditions to be contained in a definitive agreement to be executed in relation to the:-

- (i) proposed acquisition from Foo Choy Lim and Wong Wee Kiong (collectively the "**UCSB Vendors**") of a total of 562,500 existing ordinary shares representing 75.0% total enlarged equity interest in **Unique Central Sdn Bhd ("UCSB")** by the Company for a purchase consideration of RM14,490,000 ("**UCSB Purchase Consideration**") to be fully satisfy via cash ("**Proposed UCSB Acquisition**"); and
- (ii) proposed acquisition from Foo Choy Lim, Wong Wee Kiong and Tan Ki Lok (collectively the "**USSSB Vendors**") of a total of 75,000 existing ordinary shares representing 75.0% total enlarged equity interest in **Uniqcen Sales & Services Sdn Bhd ("USSSB")** by the Company for a purchase consideration of RM12,285,000 ("**USSSB Purchase Consideration**") to be fully satisfy via cash ("**Proposed USSSB Acquisition**").

(Collectively "**Proposed Acquisitions**").

The Proposed Acquisitions are pending finalisation and execution of the definitive agreement(s). The Company will make a detailed announcement upon the execution of the definitive agreement(s) in compliance with the requirements of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Initial Public Offering

Further to the completion of the IPO, the gross proceeds of RM40.40 million that has been raised from the IPO are intended to be utilized in the following manner and the utilization status up to 31 March 2024 is as follow:-

CLOUDPOINT TECHNOLOGY BERHAD

(Registration No. 202101020879 (1421179-X))

(Incorporated in Malaysia)



	Proposed utilisation	Actual utilisation	Deviation	Balance unutilised	Estimated timeframe for utilisation since listing
	RM'000	RM'000	RM'000	RM'000	
Business expansion	13,300	-	-	13,300	Within 36 months
Relocation of corporate office	7,800	3,295	-	4,505	Within 48 months
Working capital requirement	15,802	5,861	-	9,941	Within 24 months
Estimated listing expenses	3,500	3,368	-	132	Within 1 months
	40,402	12,524	-	27,878	

B7 Borrowings

The Group's borrowings were as follows:

	Unaudited as at 31 March 2024	Audited as at 31 March 2023
	RM'000	RM'000
Non-Current Liabilities		
Lease liability	-	34
	-	34
Current Liabilities		
Lease liability	34	198
	34	198
Total	34	232

B8 Material litigation

The Group has no outstanding material litigation as at the date of this interim report.

B9 Proposed Dividend

The Board of Directors did not recommend any dividend for the financial period under review.

B10 Earnings per share

The basic and diluted earnings per share for the current quarter and financial period is calculated as follows:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>UNAUDITED</u>	<u>UNAUDITED</u>	<u>UNAUDITED</u>	<u>UNAUDITED</u>
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Profit attributable to owners of the Company (RM'000)	3,701	3,011	3,701	3,011
Weighted average number of shares in issue ('000)	531,600	451,205	531,600	451,205
Basic earnings per share (sen) ⁽¹⁾	0.70	0.67	0.70	0.67

Note:

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue during the financial period under review.

There were no potential dilution effects on ordinary shares of the Group for the current quarter, current year-to-date, previous corresponding quarter and previous corresponding year-to-date. Accordingly, the diluted earnings per ordinary share for the current quarter, current year-to-date, previous corresponding quarter and previous corresponding year-to-date are equal to the basic earnings per ordinary share.

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31 March 2024</u>	<u>31 March 2023</u>	<u>31 March 2024</u>	<u>31 March 2023</u>
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):-				
Interest income	(304)	(27)	(304)	(27)
Other income	(107)	(1)	(107)	(1)
Interest expense	1	4	1	4
Depreciation and amortisation	180	133	180	133
Listing Expenses	-	29	-	29
Acquisition expenses	30	-	30	-

Note:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.