



DAYTHREE DIGITAL BERHAD

Registration No:

202201029566 (1475263-U)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME⁽¹⁾⁽²⁾
FOR THE PERIOD ENDED 30 JUNE 2023**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	23,042	N/A	42,325	N/A
Cost of sales	(16,786)	N/A	(31,588)	N/A
Gross profit	6,256	N/A	10,737	N/A
Other income	15	N/A	34	N/A
Administrative expenses	(2,450)	N/A	(4,510)	N/A
Other expenses	-	N/A	(24)	N/A
Operating profit	3,821	N/A	6,237	N/A
Finance costs	(246)	N/A	(402)	N/A
Profit before taxation	3,575	N/A	5,835	N/A
Income tax expense	(954)	N/A	(1,548)	N/A
Profit for the period	B5 2,621	N/A	4,287	N/A
Other comprehensive income, net of tax				
Items that maybe reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	-	N/A	3	N/A
Other comprehensive income for the period	-	N/A	3	N/A
Total comprehensive income for the period	2,621	N/A	4,290	N/A
Profit for the period attributable to:				
Owners of the Company	2,621	N/A	4,287	N/A
Total comprehensive income for the period attributable to:				
Owners of the Company	2,621	N/A	4,290	N/A
Basic earnings per share (sen) ⁽³⁾	B11 0.71	N/A	1.16	N/A

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Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 21 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company will only be listed on the ACE Market of Bursa Securities on 26 July 2023 and as such no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share ("**EPS**") is calculated based on the Company's share capital of 369,600,000 ordinary shares after the completion of the acquisition of Daythree Business Services Sdn. Bhd. ("**Daythree Services**"), Daythree Business Services Pte. Ltd. ("**Daythree Services SG**") and Daythree Business Solutions Sdn Bhd ("**Daythree Solutions**") but before initial public offering ("**IPO**") (refer to Note A11).
- (4) N/A – Not Applicable.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 30 JUNE 2023

	Unaudited As at 30.06.2023 RM'000	Audited As at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Plant and equipment	5,755	5,147
Right-of-use assets	15,389	7,727
Total non-current assets	21,144	12,874
Current assets		
Trade and other receivables	13,492	15,456
Contract assets	11,575	6,202
Cash and short-term deposits	9,919	11,582
Total current assets	34,986	33,240
TOTAL ASSETS	56,130	46,114
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	20,143	2,000
Exchange reserve	4	1
Reorganisation reserve	(18,143)	-
Retained earnings	28,761	24,474
Total equity	30,765	26,475
LIABILITIES		
Non-current liability		
Lease liabilities	13,748	6,818
Total non-current liability	13,748	6,818
Current liabilities		
Borrowings	-	4,000
Lease liabilities	2,368	1,522
Current tax liabilities	3,799	2,266
Trade and other payables	4,840	4,487
Contract liabilities	610	546
Total current liabilities	11,617	12,821
TOTAL LIABILITIES	25,365	19,639
TOTAL EQUITY AND LIABILITIES	56,130	46,114
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	0.08	0.07

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Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 21 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's share capital of 369,600,000 ordinary shares after the completion of the acquisition of Daythree Services, Daythree Services SG and Daythree Solutions but before the IPO (refer to Note A11).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾
FOR THE PERIOD ENDED 30 JUNE 2023

	Share Capital RM'000	Exchange reserve RM'000	Reorganisation reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2023 (Audited)	2,000	1	-	24,474	26,475
Total comprehensive income for the period	-	3	-	4,287	4,290
Transactions with owners					
Share issue for acquisition of a subsidiary	20,143	-	-	-	20,143
Reorganisation reserve	-	-	(18,143)	-	(18,143)
Invested equity	(2,000)	-	-	-	(2,000)
	18,143	-	(18,143)	-	-
At 30 June 2023 (Unaudited)	20,143	4	(18,143)	28,761	30,765

Notes:-

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 21 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) As this is the Company's first interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2023, there are no comparative figures for the preceding year's corresponding period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾⁽²⁾
FOR THE PERIOD ENDED 30 JUNE 2023

	CURRENT YEAR-TO-DATE 30.06.2023 RM'000	PRECEDING YEAR-TO-DATE 30.06.2022⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,835	N/A
Adjustments for:		
Depreciation of plant and equipment	412	N/A
Depreciation of right-of-use assets	1,052	N/A
Finance cost	402	N/A
Finance income	(30)	N/A
Unrealised gain on foreign exchange	*(3)	N/A
Unrealised loss on foreign exchange	2	N/A
Operating profit before changes in working capital	7,673	N/A
Changes in working capital:		
Trade and other receivables	1,963	N/A
Contract assets	(5,373)	N/A
Trade and other payables	353	N/A
Contract liabilities	63	N/A
Net cash generated from operations	4,679	N/A
Income tax paid, net of refund	(14)	N/A
Interest paid	(112)	N/A
Net cash from operating activities	4,553	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	30	N/A
Change in pledged deposits	1,407	N/A
Purchase of plant and equipment	(1,020)	N/A
Net cash from investing activities	417	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	(4,000)	N/A
Payment of lease liabilities	(936)	N/A
Interest paid	(289)	N/A
Net cash used in financing activities	(5,225)	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(255)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING	8,130	N/A
EFFECTS OF EXCHANGE RATE CHANGES	1	N/A
CASH AND CASH EQUIVALENTS AT END	7,876	N/A
Represented by:		
Deposits with financial institutions	2,043	N/A
Cash and bank balances	7,876	N/A
	9,919	N/A
Less: Fixed deposits pledged to a licensed bank	(2,043)	N/A
	7,876	N/A

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Notes:-

- (1) The above Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 21 June 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) As this is the Company's first interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2023, there are no comparative figures for the preceding year's corresponding period.
- (3) * Denotes less than RM1,000.
- (4) N/A – Not Applicable.

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 and Appendix 9B of Listing Requirements of Bursa Securities.

This is the Company’s first interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2023 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 21 June 2023 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report as disclosed in the Prospectus dated 21 June 2023 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for annual period beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A3. Auditors' Report on Preceding Annual Financial Statements

Daythree Digital Berhad was incorporated under the Companies Act 2016 on 11 August 2022. The Company completed the acquisition of its subsidiaries, Daythree Services, Daythree Services SG and Daythree Solutions on 9 May 2023.

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2022.

A4. Seasonal or Cyclical Factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors.

A5. Unusual Items Due to Their Nature, Size or Incidence

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 30 June 2023.

A6. Material Changes in Estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

A7. Debt and Equity Securities

The gearing ratio of the Group as at 30 June 2023 are as follows:

	Unaudited As at 30.06.2023 RM'000	Audited As at 31.12.2022 RM'000
Total debt (excluding lease liabilities)	-	4,000
Total equity	30,765	26,475
Gearing ratio (times)	-	0.15

The Group reported zero gearing ratio as at 30 June 2023. There were no borrowings (excluding lease liabilities) as at 30 June 2023 as the Group had sufficient internally generated funds for the Group's operations.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A8. Dividend Paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental Information

The Group's revenue is segmented as follows:

Revenue by client segment

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.06.2023</u>	<u>30.06.2022⁽¹⁾</u>	<u>30.06.2023</u>	<u>30.06.2022⁽¹⁾</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Energy & utilities	9,777	N/A	17,975	N/A
Telecommunications & media	3,782	N/A	7,653	N/A
Fintech & financial services	4,430	N/A	8,200	N/A
Construction	576	N/A	1,174	N/A
Others	4,477	N/A	7,323	N/A
Total	23,042	N/A	42,325	N/A

Notes:-

- (1) As this is the Company's first interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2023, there are no comparative figures for the preceding year's corresponding period.
- (2) N/A – Not Applicable.

A10. Material events subsequent to the end of the reporting period

In conjunction with the Company's listing on the ACE Market of Bursa Securities which will be held on 26 July 2023, the Company issued its Prospectus for its IPO comprising:

- (I) Public Issue of 110,400,000 new ordinary shares in the Company ("**Issue Shares**") at an issue price of RM0.30 per share in the following manner:
- 24,000,000 Issue Shares available for application by the Malaysian Public;
 - 12,000,000 Issue Shares available for application by the eligible Directors and employees of the Group; and
 - 74,400,000 Issue Shares by way of private placement to selected investors;

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company's entire enlarged issue share capital of 480,000,000 shares shall be listed and quoted on the ACE Market of Bursa Securities on 26 July 2023.

Save as disclosed above, there were no other material events subsequent to the end of the current financial quarters under review that have not been reflected in this interim financial report.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A11. Changes in the composition of the Group

Acquisition of Daythree Services

The Company had on 29 September 2022, entered into a conditional share sale agreement with Dayspring Capital Sdn. Bhd., Cloud Marshal Sdn. Bhd. and BLM Holdings Sdn. Bhd. to acquire the entire issued share capital of Daythree Services comprising 2,000,000 ordinary shares for a total purchase consideration of RM20,143,200. The acquisition of Daythree Services was satisfied by the issuance of 369,599,997 new share of the Company at an issue price of RM0.0545 per share and was completed on 9 May 2023.

Acquisition of Daythree Solutions

The Company had on 27 September 2022, entered into a conditional share sale agreement with Daythree Services to acquire the entire issued share capital of Daythree Solutions comprising 2 ordinary shares for a total purchase consideration of RM2.00. The acquisition of Daythree Solutions was satisfied by cash and was completed on 9 May 2023.

Acquisition of Daythree Services SG

The Company had on 27 September 2022, entered into a conditional share sale agreement with Daythree Services to dispose the entire issued share capital of Daythree Services SG comprising 10,000 ordinary shares for a total purchase consideration of SGD1.00. The disposal of Daythree Services SG was satisfied by cash and was completed on 9 May 2023.

A12. Contingent liabilities or contingent assets

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

A13. Related Party Transactions Disclosures

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

A14. Capital Commitments

	30.06.2023	31.12.2022
	Unaudited	Audited
	RM'000	RM'000
<u>Approved and contracted for:</u>		
- Plant and equipment	446	495

Save as disclosed above, there were no other material capital commitments as at 30 June 2023.

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

B1. Review of Financial Performance

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	30.06.2023	30.06.2022⁽¹⁾	30.06.2023	30.06.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	23,042	N/A	42,325	N/A
Gross profit	6,256	N/A	10,737	N/A
Profit before taxation	3,575	N/A	5,835	N/A
Profit after tax	2,621	N/A	4,287	N/A
Profit attributable to owners of the Company	2,621	N/A	4,287	N/A

Notes:-

- (1) As this is the Company's first interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2023, there are no comparative figures for the preceding year's corresponding period.
- (2) N/A – Not Applicable.

The Group recorded revenue of approximately RM23.04 million for the current financial quarter under review mainly contributed from the energy and utilities segment which accounted for RM9.78 million, representing 42.4% of the total revenue.

The Group recognised profit before tax of RM3.58 million for current financial quarter under review after deducting administrative expenses of RM2.45 million. The administrative expenses mainly consist of staff cost, depreciation of right-of-use assets and depreciation of plant and equipment.

There are no comparative figures for the corresponding preceding quarter's results as this is the first interim financial report being announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter's Results

There are no comparative figures for the immediate preceding quarter as this is the first interim financial report on the unaudited condensed consolidated financial results announced by the Company.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B3. Prospects of the Group

We believe that our prospects in the Global Business Services (“**GBS**”) services industry are favourable, taking into account our competitive strengths and business strategies as set out in Section 7.16 and Section 7.18 of the Company’s Prospectus dated 21 June 2023 respectively, as well as the industry outlook as set out in the Independent Market Researcher Report by Protégé Associates Sdn Bhd as set out below.

The global economic recovery, driven in part by widespread vaccination efforts, has also resulted in Malaysia’s economy maintaining its growth momentum. In 2022, the Malaysia economy expanded by 8.7%, following a growth rate of 3.1% in the previous year. Additionally, the local GBS industry witnessed growth, increasing from RM22.1 billion in 2021 to RM23.4 billion in 2022.

Factors boosting the growth within the GBS industry is likely to come from businesses pursuing a leaner capital structure and outsourcing more and more business supporting processes and activities to GBS providers. Malaysia’s aspiration to attain a digital economy is also expected to lead to more businesses adopting digitisation in their operations, and thus leading to increased demand for GBS services. At the same time, by having customers from a broad range of end-user markets, which each customer potentially having several business units, the local GBS industry stands to benefit from a large pool of potential demand for GBS services.

In particular, as more businesses move towards digitisation and adopt GBS, providers of contact centre as a service are expected to be key beneficiaries due to its relatively low-cost investment as well as scalability as businesses grow and expand operations. On the flip side, the geopolitical tension between economic superpowers namely China and the United States of America, as well as the war between Russia and Ukraine is expected to negatively impact global economic activities. As an industry also serving the global community, any developments that may hinder economic growth is expected to dampen the growth of the Malaysian GBS industry.

From the supply side, growth of the local GBS industry is expected to be supported by the Government’s aspiration to attain a digital economy, of which more demand from GBS is expected to help businesses digitise. At the same time, Malaysia has a mature technology infrastructure and is complemented by a steady pool of qualified and quality workforce that is expected to accelerate the development of the nation into a leading digital hub in the region. Furthermore, Malaysia is among one of the preferred locations for business services support due to the country’s ability to provide cost effectiveness to both local and foreign businesses, as well as having only limited natural disasters which translates to fewer business disruptions.

The Malaysian GBS industry is projected to maintain its growth trajectory and is expected to grow from RM24.8 billion in 2023 to reach RM31.7 billion in 2027, representing a CAGR of 6.3% during this period.

Based on the above, the Board of Directors of the Company (“**Board**”) is optimistic about the future prospects of the Group.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B4. Variance of actual profits from profit forecast

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

B5. Taxation

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	30.06.2023	30.06.2022⁽¹⁾	30.06.2023	30.06.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current period	954	N/A	1,548	N/A
Effective tax rate ⁽²⁾ (%)	26.70	N/A	26.53	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:-

- (1) As this is the Company's first interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2023, there are no comparative figures for the preceding year's corresponding period.
- (2) The Group's effective tax rate for the quarter and year-to-date ended 30 June 2023 was higher than the statutory tax rate of 24% mainly due to the renovation costs of CX delivery offices which did not qualify for tax capital allowances and expenses incurred for the listing which were not deductible for tax purposes.
- (3) N/A – Not Applicable.

The Company has been granted Pioneer Status and the statutory income was exempted from income tax up to 15 February 2022. The Company subsequently applied for extension of the Pioneer Status for the second 5 years tax exemption (from 16 February 2022 to 15 February 2027), and had obtained Malaysian Investment Development Authority's approval-in-principle on 18 January 2023. The exemption of the second 5 years tax exemption will retrospectively apply to our Group upon the gazettelement of the relevant tax exemption provisions by the Government. Until such time, statutory taxation shall continue to apply to the Company.

B6. Status of Corporate Proposals

On 21 June 2023, the Company issued its Prospectus in relation to the IPO in conjunction with the listing of the Company on the ACE market of Bursa Securities ("**Listing**") comprising the public issue of 110,400,000 new ordinary shares in the Company. The Listing is pending completion as the Company is expected to be listed on 26 July 2023.

Save as disclosed above, there were no other corporate proposals pending completion as at the date of this interim financial report.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B7. Utilisation of proceeds from IPO

The gross proceeds of RM33.1 million from the IPO is intended to be utilised in the following manner:

Details of utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation upon listing⁽¹⁾
Office expansion	7,100	-	7,100	Within 24 months
Recruit industry experts to capture growth opportunities	3,020	-	3,020	Within 24 months
Capital expenditure in networking infrastructure, IT hardware and software	3,000	-	3,000	Within 12 months
Branding, marketing and promotional activities	1,500	-	1,500	Within 12 months
Working capital	14,700	-	14,700	Within 12 months
Estimated listing expenses	3,800	-	3,800	Within 1 month
	33,120	-	33,120	

Note:-

(1) From the date of listing of the Company.

B8. Group borrowings and debts securities

	30.06.2023 Unaudited RM'000	31.12.2022 Audited RM'000
Non-current:		
Lease liabilities	13,748	6,818
Current:		
Trade facilities	-	4,000
Lease liabilities	2,368	1,522
	2,368	5,522
Total borrowings and debts securities	16,116	12,340

B9. Material Litigations

There were no material litigations by or against the Group as at 30 June 2023.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B10. Dividends

No dividend has been declared or proposed for payment by the Board during the financial period under review.

B11. Earnings Per Share ("EPS")

The basic EPS for the current financial quarter under review and financial year-to-date are computed as follows:

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.06.2023</u>	<u>30.06.2022⁽¹⁾</u>	<u>30.06.2023</u>	<u>30.06.2022⁽¹⁾</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to owners of the Company	2,621	N/A	4,287	N/A
Weighted average Number of ordinary shares in issue ('000)	369,600	N/A	369,600	N/A
Basic EPS (sen) ⁽²⁾	<u>0.71</u>	<u>N/A</u>	<u>1.16</u>	<u>N/A</u>

Notes:-

- (1) As this is the Company's first interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2023, there are no comparative figures for the preceding year's corresponding period.
- (2) Basic EPS is calculated based on the Company's issued share capital of 369,600,000 ordinary shares upon completion the acquisition of Daythree Services, Daythree Services SG and Daythree Solutions but before the IPO.
- (3) N/A – Not Applicable.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B12. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following items have been charged or credited in arriving at the profit before taxation for the current financial quarter and the profit before taxation for the financial year-to-date:-

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.06.2023</u>	<u>30.06.2022⁽¹⁾</u>	<u>30.06.2023</u>	<u>30.06.2022⁽¹⁾</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
After charging:				
Depreciation of plant and equipment	209	N/A	412	N/A
Depreciation of Right-of-use assets	582	N/A	1,052	N/A
Employee benefits expense	17,204	N/A	32,421	N/A
Expenses relating to lease of low value assets	174	N/A	306	N/A
Interest expense on lease liabilities	166	N/A	289	N/A
Realised loss on foreign exchange	33	N/A	38	N/A
Unrealised loss on foreign exchange	*	N/A	2	N/A
And crediting:				
Unrealised gain on foreign exchange	*	N/A	*	N/A
Interest income	(13)	N/A	(30)	N/A

Notes:-

(1) As this is the Company's first interim financial report on the unaudited condensed consolidated financial results for the second quarter ended 30 June 2023, there are no comparative figures for the preceding year's corresponding period.

(2) N/A – Not Applicable.

(3) * Denotes less than RM1,000.

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 21 July 2023.