



PANDA ECO SYSTEM BERHAD
(Registration No: 202201028635 (1474332-M))
(Incorporated in Malaysia)

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

PANDA ECO SYSTEM BERHAD
Registration No.: 202201028635 (1474332-M)
(Incorporated in Malaysia)

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

	Note	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue		5,461	N/A	16,261	N/A
Cost of sales		(2,207)	N/A	(6,627)	N/A
Gross profit		3,254	N/A	9,634	N/A
Other income		60	N/A	199	N/A
Administrative and other expenses		(994)	N/A	(3,660)	N/A
Net impairment losses on financial assets		(6)	N/A	(112)	N/A
Profit from operations		2,314	N/A	6,061	N/A
Finance costs		(2)	N/A	(4)	N/A
Profit before tax	B13	2,312	N/A	6,057	N/A
Income tax expense	B5	(527)	N/A	(1,527)	N/A
Profit after tax/ total comprehensive income for the period		1,785	N/A	4,530	N/A
Profit after tax/ total comprehensive income for the period attributable to:					
Owners of the Group		1,785	N/A	4,530	N/A
Earnings per share ("EPS")	B12				
- Basic (sen) ⁽³⁾		0.32	N/A	0.81	N/A
- Diluted (sen) ⁽⁴⁾		0.27	N/A	0.67	N/A

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 8 November 2023 in relation to its initial public offering ("**IPO**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first 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 period-to-date as the Company will be listed on the ACE Market of Bursa Securities on 27 November 2023 and no interim financial report was prepared for the comparative financial period concerned.

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- (3) Basic earnings per share ("**EPS**") is calculated based on the Company's share capital of 561,900,200 ordinary shares upon completion of the acquisition of Panda Software House Sdn Bhd ("**Panda Software**"), KK Computer Sdn Bhd ("**KK Computer**"), Rexbridge Sdn Bhd ("**Rexbridge**") and 020 Digital Sdn Bhd ("**020 Digital**") but before the IPO (refer to Note A11).
- (4) Diluted EPS is calculated based on the Company's enlarged share capital of 671,187,000 shares after the IPO of the Company.
- (5) N/A – Not applicable.

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PANDA ECO SYSTEM BERHAD
Registration No.: 202201028635 (1474332-M)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 30 SEPTEMBER 2023

	Note	Unaudited As at 30.09.2023 RM'000	Audited As at 31.12.2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,126	809
Right-of-use assets		126	94
Intangible assets		1,767	1,183
Deferred tax assets		51	33
Total non-current assets		3,070	2,119
Current assets			
Inventories		174	280
Trade receivables		3,330	2,359
Other receivables, deposits and prepayments		825	569
Contract assets		321	135
Current tax assets		442	189
Fixed deposits with licensed banks		6,750	5,550
Cash and bank balances		4,335	5,283
Total current assets		16,177	14,365
TOTAL ASSETS		19,247	16,484
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		5,619	(3)*
Invested capital		-	380
Merger reserve		(5,239)	-
Retained earnings		15,763	12,233
TOTAL EQUITY		16,143	12,613
LIABILITIES			
Non-current liabilities			
Lease liabilities	B8	101	64
Deferred tax liabilities		253	179
Total non-current liabilities		354	243
Current liabilities			
Trade payables		756	710
Other payables, deposits and accruals		1,966	2,885
Lease liabilities	B8	28	33
Total current liabilities		2,750	3,628
TOTAL LIABILITIES		3,104	3,871
TOTAL EQUITY AND LIABILITIES		19,247	16,484
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾		0.03	0.02

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Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement 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 8 November 2023 in relation to its IPO 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 561,900,200 ordinary shares upon completion of the acquisition of Panda Software, KK Computer, Rexbridge and 020 Digital but before the IPO (refer to Note A11).
- (3) * Represents RM5.00 only.

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PANDA ECO SYSTEM BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	← Non-distributable →			Distributable	Total Equity RM'000
	Share Capital RM'000 (3)*	Invested Capital RM'000	Merger Reserve RM'000	Retained Earnings RM'000	
At 1 January 2023 (Audited)	(3)*	380	-	12,233	12,613
Issuance of shares	5,619	(380)	(5,239)	-	-
Profit after tax/total comprehensive income for the financial period	-	-	-	4,530	4,530
Dividends	-	-	-	(1,000)	(1,000)
At 30 September 2023 (Unaudited)	5,619	-	(5,239)	15,763	16,143

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement 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 8 November 2023 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) * Represents RM5.00 only.

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PANDA ECO SYSTEM BERHAD
Registration No.: 202201028635 (1474332-M)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾⁽²⁾
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	CURRENT PERIOD-TO- DATE 30.09.2023 RM'000	PRECEDING PERIOD-TO- DATE 30.09.2022⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,057	N/A
Adjustments for:		
Depreciation of property, plant and equipment	99	N/A
Depreciation of right-of-use assets	24	N/A
Gain on disposal of other investments	(36)	N/A
Impairment loss on trade receivables	164	N/A
Interest expense on lease liabilities	4	N/A
Interest income	(108)	N/A
Loss on disposal of plant and equipment	3	N/A
Reversal of impairment loss on trade receivables	(52)	N/A
Operating profit before changes in working capital	6,155	N/A
Changes in working capital:		
Decrease in inventories	105	N/A
Increase in contract assets	(187)	N/A
Increase in trade and other receivables	(1,339)	N/A
Decrease in trade and other payables	(874)	N/A
Cash generated from operations	3,860	N/A
Income tax paid	(1,723)	N/A
Net cash from operating activities	2,137	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Additional investment in intangible assets	(584)	N/A
Interest received	108	N/A
Proceeds from disposal of other investments	67	N/A
Proceeds from disposal of plant and equipment	1	N/A
Purchase of other investments	(31)	N/A
Purchase of property, plant and equipment	(419)	N/A
Net cash used in investing activities	(858)	N/A
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(1,000)	N/A
Interest paid	(4)	N/A
Repayment of lease liabilities	(23)	N/A
Net cash used in financing activities	(1,027)	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	252	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	10,833	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	11,085	N/A

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

	30.09.2023	30.09.2022⁽²⁾
	RM'000	RM'000
Cash and cash equivalents at the end of the period are represented by:		
Fixed deposits with licensed banks	6,750	N/A
Cash and bank balances	4,335	N/A
	<u>11,085</u>	<u>N/A</u>

Notes:-

- (1) The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 8 November 2023 in relation to its IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) 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 condensed consolidated 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 financial period ended 30 September 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 8 November 2023 in relation to its IPO 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 8 November 2023 in relation to its IPO 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.

New MFRS and amendments/Improvements to MFRSs effective on 1 January 2023

MFRS 17 Insurance Contracts

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

The adoption of the above new MFRS and amendments/improvements to MFRSs does not have any significant effect on the financial statements of the Group

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

A2. Significant Accounting Policies (Continued)

Amendments/improvements to MFRSs that have been issued, but yet to be effective

	Effective Date
Amendments to MFRS 16: <i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Presentation of Financial Statements – Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 101: <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies</i>	1 January 2024
Amendments to MFRS 107: <i>Statement of Cash Flows</i>	1 January 2024
Amendments to MFRS 7: <i>Financial Instruments: Disclosures – Suppliers Finance Agreements</i>	
Amendments to MFRS 121: <i>The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10: <i>Consolidated Financial Statements</i>	Deferred
Amendments to MFRS 128: <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impact on the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

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 in the current quarter and financial period-to-date under review.

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 current quarter and financial period-to-date under review.

A6. Material Changes in Estimates

There were no material changes in estimates in the current quarter and financial period-to-date under review.

A7. Debt and Equity Securities

Saved as disclosed in Note A11 below, there were no issuances, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and financial period-to-date under review.

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

A8. Dividend Paid

There were no dividends paid during the current quarter under review.

A9. Segmental Information

The Group's revenue is segmented as follows:

Revenue by products/services

	<u>3 MONTHS ENDED</u>		<u>9 MONTHS ENDED</u>	
	30.09.2023	30.09.2022⁽¹⁾	30.09.2023	30.09.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Retail Management Eco-system:				
• HQ Centralised Management, Store Operations and Financial Management solution	3,555	N/A	10,685	N/A
• xBridge B2B solution	1,196	N/A	2,955	N/A
• Omni-Channel Engagement solution	361	N/A	1,347	N/A
Others:				
• Outright sale of IT hardware and third-party software	339	N/A	1,206	N/A
• Software customisation, implementation and integration	10	N/A	68	N/A
	5,461	N/A	16,261	N/A

Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) N/A – Not applicable.

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

A10. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the current financial quarter under review.

A11. Material events subsequent to the end of the reporting period

In conjunction with the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the Company undertook an IPO at an issue price of RM0.16 per share, comprising:

- (I) Public Issue of 109,286,800 new ordinary shares in the Company (the "**Shares**") in the following manner ("**Public Issue**"):
- 33,559,400 new Shares available for application by the Malaysian public by way of balloting;
 - 42,774,200 new Shares available for application by the eligible directors, employees and persons who have contributed to the success of our Group; and
 - 32,953,200 new Shares by way of private placement to selected investors, and
- (II) Offer for sale of 61,810,000 existing shares by way of private placement to selected investors.

Upon completion of the IPO, the issued share capital of the Company will increase to RM23,104,893 comprising 671,187,000 Shares.

Pursuant thereto, the Company's entire enlarged share capital is expected to be listed and quoted on the ACE Market of Bursa Securities on 27 November 2023.

Save as disclosed above, there were no other material events subsequent to the end of the current financial quarter 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)

A12. Changes in the Composition of the Group

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

A13. 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.

A14. Related Party Transactions Disclosures

The related party transactions between the Group and related party are as follows:

	<u>3 MONTHS</u> <u>ENDED</u> 30.09.2023 Unaudited RM'000	<u>9 MONTHS</u> <u>ENDED</u> 30.09.2023 Unaudited RM'000
Companies in which certain Directors of the Group have substantial financial interests		
Purchase of goods	319	771
Certain Directors of the Group		
Lease expenses paid/payable	14	41
A company in which a director of the subsidiary has substantial financial interests		
Lease expenses paid/payable	3	9

A15. Capital Commitments

There were no material commitments during the end of the interim financial period.

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

B1. Review of Financial Performance

	<u>3 MONTHS ENDED</u>		<u>9 MONTHS ENDED</u>	
	30.09.2023	30.09.2022⁽¹⁾	30.09.2023	30.09.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	5,461	N/A	16,261	N/A
Gross profit	3,254	N/A	9,634	N/A
Profit before tax	2,312	N/A	6,057	N/A
Profit after tax	1,785	N/A	4,530	N/A
Profit attributable to owners of the Company	1,785	N/A	4,530	N/A

Notes:-

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) N/A – Not applicable.

The Group recorded revenue of approximately RM5.46 million for the current financial quarter under review mainly contributed from the Retail Management Eco-system which accounted for RM3.56 million, representing 65.2% of the total revenue.

The Group recognised profit before tax of RM2.31 million for current financial quarter under review after deducting administrative expenses of RM0.99 million. The administrative expenses mainly consist of staff cost, professional fees, depreciation of property, plant and equipment as well as transportation and accommodation.

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

The Group is principally involved in the development, customisation, implementation and integration of its Retail Management Eco-system. Post listing, the Group expects that the growth of its Retail Management Eco-system business segment will be centered on the following areas in accordance with the utilisation of the IPO proceeds:

- (i) development of cloud-based modules and expansion of solution offerings;
- (ii) expansion of workforce and operational facilities to facilitate business expansion in Malaysia; and
- (iii) regional expansion into other countries within ASEAN, namely Indonesia and the Philippines.

Leveraging on the comprehensive range of the solutions and other competitive strengths (as listed in Section 7.15 of the Prospectus), the Group aims to seize opportunities in the growing demand for retail management solutions in markets such as Malaysia, Indonesia and the Philippines.

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>3 MONTHS ENDED</u>		<u>9 MONTHS ENDED</u>	
	30.09.2023	30.09.2022⁽¹⁾	30.09.2023	30.09.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current period	527	N/A	1,527	N/A
Effective tax rate (%)	22.79	N/A	25.21	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (2) N/A – Not applicable.

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

B6. Status of Corporate Proposals

On 8 November 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, comprising the public issue of 109,286,800 new Shares and offer for sale of 61,810,000 existing Shares in the Company. The Listing is pending completion as the Company is expected to be listed on 27 November 2023.

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

B7. Utilisation of proceeds from the Public Issue

The gross proceeds of RM17.5 million from the Public Issue is intended to be utilised in the following manner:

Details of utilisation of proceeds	Proposed utilisation RM'000	Percentage of utilisation %	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation⁽¹⁾
Research and development of new solutions	2,712	15.5	-	2,712	Within 36 months
Business expansion					
• Regional expansion in ASEAN countries	1,890	10.8	-	1,890	Within 36 months
• /Establishing additional service hubs within Malaysia	2,634	15.1	-	2,634	Within 24 months
Expansion of customer technical support department	1,680	9.6	-	1,680	Within 24 months
Headquarters expansion	3,000	17.2	-	3,000	Within 36 months
Working capital	2,833	16.2	-	2,833	Within 24 months
Estimated listing expenses	2,736	15.6	-	2,736	Within 1 month
	17,485	100.0	-	17,485	

Note:

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

B8. Group Borrowings and Debts Securities

	30.09.2023 Unaudited RM'000	31.12.2022 Audited RM'000
Non-current:		
Lease liabilities	101	64
Current:		
Lease liabilities	28	33
Total borrowings	129	97

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

B9. Derivative Financial Instruments

There were no outstanding derivatives as at 30 September 2023.

B10. Material Litigations

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

B11. Dividends

No dividend has been declared for the financial period under review.

B12. Earnings Per Share

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

	<u>3 MONTHS ENDED</u>		<u>9 MONTHS ENDED</u>	
	30.09.2023	30.09.2022⁽¹⁾	30.09.2023	30.09.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	1,785	N/A	4,530	N/A
Weighted average number of ordinary shares in issue ('000)	561,900	N/A	561,900	N/A
Weighted average number of diluted ordinary shares in issue ('000)	671,187	N/A	671,187	N/A
Basic EPS (sen) ⁽²⁾	0.32	N/A	0.81	N/A
Diluted EPS (sen) ⁽³⁾	0.27	N/A	0.67	N/A

Notes:

(1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(2) Basic EPS is calculated based on the Company's issued share capital of 561,900,200 ordinary shares upon completion of the acquisition of Panda Software, KK Computer, Rexbridge and 020 Digital but before the IPO.

(3) Diluted EPS is calculated based on the Company's enlarged share capital of 671,187,000 shares after the IPO of the Company.

(4) N/A – Not applicable.

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

B13. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following items have been charged/(credited) in arriving at the profit before tax for the current financial quarter and the profit before tax for the financial period-to-date:

	<u>3 MONTHS ENDED</u>		<u>9 MONTHS ENDED</u>	
	30.09.2023	30.09.2022⁽¹⁾	30.09.2023	30.09.2022⁽¹⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation of property, plant and equipment	35	N/A	99	N/A
Depreciation of right-of-use assets	8	N/A	24	N/A
Employee benefits expense	1,491	N/A	4,700	N/A
Interest expense on lease liabilities	2	N/A	4	N/A
Loss on disposal of plant and equipment	-	N/A	3	N/A
Listing expenses	-	N/A	654	N/A
And crediting:				
Gain on disposal of other investments	-	N/A	(36)	N/A
Interest income	(29)	N/A	(108)	N/A

Notes:

(1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.

(2) N/A – Not applicable.

B14. Authorisation for Issue

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