



NOVELPLUS TECHNOLOGY BERHAD

(Registration No. 202001024527 (1380847-U))

(Incorporated in Malaysia under the Companies Act 2016)

HALF-YEAR REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD
("BURSA SECURITIES")**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET AND MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY NOVELPLUS TECHNOLOGY BERHAD ("NTB" OR THE "COMPANY"). INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISK OF INVESTING IN NTB AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.



NOVELPLUS TECHNOLOGY BERHAD
 (Registration No. 202001024527 (1380847-U))
 (Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
 OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER
 2021⁽¹⁾**

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.12.2021 RM	Unaudited 31.12.2020 ⁽²⁾ RM	Unaudited 31.12.2021 RM	Audited 31.12.2020 RM
Revenue	2,523,771	N/A	4,892,039	4,822,474
Cost of sales	(1,565,605)	N/A	(3,236,379)	(2,977,935)
Gross profit	958,166	N/A	1,655,660	1,844,539
Other income	88,586	N/A	101,470	62,170
Selling and marketing expenses	(358,727)	N/A	(706,121)	(472,486)
Administrative and other operating expenses	(596,868)	N/A	(1,329,329)	(828,144)
Finance costs	(1,979)	N/A	(4,841)	(4,233)
Profit/(Loss) before taxation	89,178	N/A	(283,161)	601,846
Income tax (expenses)/credit	(261,269)	N/A	(261,269)	167,000
(Loss)/Profit after taxation/ Total comprehensive (expenses)/ income for the financial period/year	(172,091)	N/A	(544,430)	768,846
(Loss)/Profit after taxation/ Total comprehensive (expenses)/ income for the financial period/year attributable to:				
Owners of the Company	(172,091)	N/A	(544,430)	768,846
Basic (loss)/earning per share (sen)	(0.04)	N/A	(0.14)	0.21



NOVELPLUS TECHNOLOGY BERHAD
(Registration No. 202001024527 (1380847-U))
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021
(continued)**

Notes:

- (1) The unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the Audited Financial Statements of Novelplus Technology Berhad and its subsidiaries ("**Group**") for the financial year ended ("**FYE**") 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the corresponding period are presented as this is the first interim financial report on the consolidated results for the 6-month period ended 31 December 2021 announced by the Company in compliance with the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

N/A Not applicable.

[The rest of this page has been intentionally left blank]



NOVELPLUS TECHNOLOGY BERHAD
 (Registration No. 202001024527 (1380847-U))
 (Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021⁽¹⁾

	(Unaudited) As at 31.12.2021	(Audited) As at 31.12.2020
	RM	RM
<u>ASSETS</u>		
<u>Non-current assets</u>		
Equipment	117,277	131,631
Intangible assets	1,248,221	1,096,322
Right-of-use asset	70,862	136,486
	1,436,360	1,364,439
<u>Current assets</u>		
Trade receivable	13,390	9,990
Other receivables, deposits and prepayments	864,118	938,490
Other investments	6,632,087	-
Current tax assets	221,429	180,000
Cash and cash equivalents	516,462	1,776,214
	8,247,486	2,904,694
Total assets	9,683,846	4,269,133
<u>EQUITY AND LIABILITIES</u>		
<u>Equity</u>		
Share capital	9,540,313	3,600,000
(Accumulated losses)/Retained profit	(449,576)	94,854
Total equity	9,090,737	3,694,854
<u>Non-current liabilities</u>		
Lease liabilities	27,576	73,163
Deferred tax liabilities	239,000	3,000
	266,576	76,163
<u>Current liabilities</u>		
Trade payables	60,284	171,608
Other payables and accruals	220,662	260,008
Lease liabilities	45,587	66,500
	326,533	498,116
Total liabilities	593,109	574,279
Total equity and liabilities	9,683,846	4,269,133
Net assets per share (RM)	0.02	0.01
Number of ordinary shares	400,000,000	360,000,000



NOVELPLUS TECHNOLOGY BERHAD
(Registration No. 202001024527 (1380847-U))
(Incorporated in Malaysia under the Companies Act 2016)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31
DECEMBER 2021 (continued)**

Note:

- (1) The unaudited condensed consolidated statements of financial position should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

[The rest of this page has been intentionally left blank]



NOVELPLUS TECHNOLOGY BERHAD
 (Registration No. 202001024527 (1380847-U))
 (Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021⁽¹⁾

	Share capital RM	(Accumulated losses)/ Retained profit RM	Total equity RM
Balance at 1.1.2021	3,600,000	94,854	3,694,854
Contribution by owner of the Company:			
- Issuance of shares	6,000,000	-	6,000,000
- Shares issuance expenses	(59,687)	-	(59,687)
Loss after taxation/Total comprehensive expenses for the financial year	-	(544,430)	(544,430)
Balance at 31.12.2021	9,540,313	(449,576)	9,090,737
Balance at 1.1.2020	3,599,998	(673,992)	2,926,006
Contribution by owner of the Company:			
- Issuance of shares	2	-	2
Profit after taxation/Total comprehensive income for the financial period	-	768,846	768,846
Balance at 31.12.2020	3,600,000	94,854	3,694,854

Note:

- (1) The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.



NOVELPLUS TECHNOLOGY BERHAD
(Registration No. 202001024527 (1380847-U))
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021⁽¹⁾

	(Unaudited) 12 months ended 31.12.2021	(Audited) 12 months ended 31.12.2020
	RM	RM
<u>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</u>		
(Loss)/Profit before taxation	(283,161)	601,846
Adjustments for:		
Amortisation of intangible assets	265,019	161,663
Depreciation of equipment	32,351	38,169
Depreciation of right-of-use assets	58,668	46,472
Interest expense on lease liabilities	4,841	4,233
Listing expense	230,988	353,698
Dividend income	(1,184)	-
Gain on derecognised of right-of use and lease liability	(785)	-
Interest income	(62,966)	(40,570)
Other income	(24,000)	-
Operating profit before working capital changes	219,771	1,165,511
Decrease in trade and other receivables	70,972	142,159
(Decrease)/Increase in trade and other payables	(123,216)	252,441
CASH FROM OPERATIONS	167,527	1,560,111
Interest paid	(4,841)	(4,233)
Listing expense paid	(258,442)	(326,244)
Tax paid	(66,698)	(180,000)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(162,454)	1,049,634
<u>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</u>		
Additions of intangible assets	(416,918)	(468,401)
Dividend received	1,184	-
Interest received	62,966	40,570
Purchase of equipment	(17,997)	(7,098)
Purchase of other investments	(6,632,087)	-
NET CASH FOR INVESTING ACTIVITIES	(7,002,852)	(434,929)



NOVELPLUS TECHNOLOGY BERHAD
 (Registration No. 202001024527 (1380847-U))
 (Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)

	(Unaudited) 12 months ended 31.12.2021	(Audited) 12 months ended 31.12.2020
	RM	RM
<u>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</u>		
Proceeds from issuance of ordinary shares	5,940,313	2
Repayment of lease liabilities	(34,759)	(46,967)
Repayment to a director	-	(500,000)
Repayment to holding company	-	(300,000)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	5,905,554	(846,965)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,259,752)	(232,260)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,776,214	2,008,474
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	516,462	1,776,214
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR COMPRISE OF:		
Highly liquid investments	7,799	1,541,197
Cash and bank balances	508,663	235,017
	516,462	1,776,214

Note:

- (1) The unaudited condensed consolidated statements of cash flows should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.



NOVELPLUS TECHNOLOGY BERHAD
(Registration No. 202001024527 (1380847-U))
(Incorporated in Malaysia under the Companies Act 2016)

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

A1. Compliance with financial reporting standard and Listing Requirements

Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting.

This is the first interim financial report on the Company’s consolidated results for the 6-month period ended 31 December 2021 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

This report should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2020. The explanatory notes attached to this report provide an explanation of events and transactions that are significant to the understanding of changes in the financial position and performance of the Group since the FYE 31 December 2020.

Changes in accounting policies

The accounting policies adopted by the Group in the interim financial report are consistent with those adopted in the audited financial statements for the FYE 31 December 2020, except for the adoption of the following Amendments to MFRS during the current financial period.

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The Group has not applied in advance the following new and revised MFRSs, Amendments to MFRS and IC interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current financial period.

New MFRS, Amendments to MFRSs and IC Interpretation effective for financial periods beginning on or after 1 January 2022:

	Effective for financial periods beginning on or after
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023

A1. Compliance with financial reporting standard and Listing Requirements

Basis of preparation (continued)

	Effective for financial periods beginning on or after
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above new standard and amendments is not expected to have significant impact on the financial position and financial performance of the Group.

A2. Seasonal/Cyclical factors

The Group does not experience any seasonality in its business as the demand for online reading is not subject to major seasonal fluctuations.

A3 Unusual items

There were no material unusual items affecting assets, liabilities, equity, net income and cash flows of the Group during the current period.

A4 Material changes in estimates

There were no material changes in estimates of amounts reported in prior financial year that have a material effect in the current period.

A5 Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current period.

A6 Segmental information

Analysis of revenue

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.12.2021 RM	Unaudited 31.12.2020 ⁽¹⁾ RM	Unaudited 31.12.2021 RM	Audited 31.12.2020 RM
Rendering of online reading services	2,365,820	N/A	4,560,809	4,694,262
Advertising and others	157,951	N/A	331,230	128,212
Total	2,523,771	N/A	4,892,039	4,822,474

Notes:

- (1) No comparative figures for the corresponding period are presented as this is the first interim financial report on the consolidated results for the 6-month period ended 31 December 2021 announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

A7 Material events subsequent to the end of the financial period

There were no other material events subsequent to the end of the financial period.

A8 Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at the date of this report.

A9 Changes in the composition of the Group

There were no changes in the composition of the Group during the current period.

A10 Capital commitments

The Group has no capital commitments as at the date of this report.

B ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1 Review of performance

The Group's financial performance is dependent on the number of subscribers of its subscription plans through the use of the Group's online social reading and writing platform (i.e., NovelPlus). As such, any factors which adversely affect the disposable income of the subscribers may affect the ability of the Group's existing subscribers to pay for the subscription fees and/or to attract new subscribers.

The Group recorded revenue of RM2.52 million for the current period, of which RM2.36 million or approximately 93.7% were generated from the rendering of online reading services while advertising and others contributed approximately RM0.16 million or approximately 6.3%.

The Group recorded loss after taxation of RM0.17 million for the current period mainly due to the recognition of deferred tax liability on intangible assets.

B2 Prospects of the Group

The Board of Directors of the Company ("**Board**") is of the view that the Group will continue to enjoy favourable prospects in line with the growing demand for e-books in Southeast Asia. NovelPlus has a vast content library of e-books comprising over 37,000 published novels in 2 languages, namely Bahasa Melayu (which is commonly used in Malaysia) and Bahasa Indonesia (which is commonly used in Indonesia). As such, the Group targets a user base which are primarily located in Southeast Asia that are literate in either one or both of these languages.

By leveraging on NTB's strengths as highlighted in Section 4.7 of the Information Memorandum, the Board believes that the Group will be able to capture future growth opportunities presented by the growing e-book market in Southeast Asia and well-positioned to undertake its future plans identified in Section 4.18 of the Information Memorandum. The Board believes that this will place the Group in a position to be able to ensure its long-term growth and sustainability in the industry.

The Board is of the view that the e-book market is driven by the proliferation of mobile devices and growth in internet penetration, environmental initiatives to reduce usage of paper as well as various government initiatives to promote reading habits in Southeast Asia. In addition, the Board believes reading is a habit and expenditure on e-books and subscriptions to online social reading and writing platforms in Southeast Asia are expected to continue in 2022 and the following years as the economies in the region improves.

B3 Profit forecast/Profit guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

C OTHER INFORMATION

C1 Status of corporate proposal

The Company had on 24 June 2021 issued and allotted 40,000,000 Shares to sophisticated investors in conjunction with its listing on the LEAP Market of Bursa Securities on 1 July 2021.

C2 Status of utilisation of proceeds

The utilisation of proceeds of RM6.0 million from the placement of shares as at 18 February 2022 is as follows:

Utilisation purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised proceeds RM'000	Expected time frame for the utilisation of proceeds (from the date of listing of the Shares)
Acquisition of e-books	1,000	93	907	Within 36 months
Future business expansion	1,200	63	1,137	Within 36 months
Enhancement of technological capabilities	1,500	17	1,483	Within 36 months
Working capital	1,600	957	643	Within 36 months
Listing expenses	700	700	-	Immediately
Total proceeds	6,000	1,830	4,170	

C3 Loans and borrowings

There were no loans and borrowings as at the date of this report.

C4 Material litigation

There was no material litigation as at the date of this report.

C5 Dividend

There was no dividend declared or proposed as at the date of this report.

C6 Loss per Share (“LPS”)/Earnings per Share (“EPS”)

(a) Basic (LPS)/EPS

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 31.12.2021 RM	Unaudited 31.12.2020 ⁽¹⁾ RM	Unaudited 31.12.2021 RM	Audited 31.12.2020 RM
(Loss)/Profit attributable to the owners of the Company (RM)	(172,091)	N/A	(544,430)	768,846
Weighted average number of Shares issued	400,000,000	N/A	380,931,507	360,000,000
Basic (LPS)/EPS (sen)	(0.04)	N/A	(0.14)	0.21

Notes:

- (1) No comparative figures for the corresponding period are presented as this is the first interim financial report on the consolidated results for the 6-month period ended 31 December 2021 announced by the Company in compliance with the Listing Requirements.

N/A Not applicable.

(b) Diluted (LPS)/EPS

The diluted (LPS)/EPS is equivalent to the basic (LPS)/EPS as the Company does not have any potential ordinary shares outstanding at the end of the reporting period.

This report is dated 25 February 2022.