



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 PERIOD ENDED 30 JUNE 2024

**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 MAIN MARKET AND ACE 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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
 OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED (“FPE”) 30
 JUNE 2024**

	Individual 6 months ended		Cumulative 6 months ended	
	Unaudited 30.06.2024 RM	Unaudited 30.06.2023 RM	Unaudited 30.06.2024 RM	Unaudited 30.06.2023 RM
Revenue	1,745,933	1,951,626	1,745,933	1,951,626
Cost of sales	(1,329,150)	(1,345,255)	(1,329,150)	(1,345,255)
Gross profit	416,783	606,371	416,783	606,371
Other income	116,145	132,262	116,145	132,262
Selling and marketing expenses	(413,561)	(326,124)	(413,561)	(326,124)
Administrative and other operating expenses	(620,454)	(599,049)	(620,454)	(599,049)
Finance costs	-	(409)	-	(409)
Loss before taxation	(501,087)	(186,949)	(501,087)	(186,949)
Income tax expense	102,688	31,811	102,688	31,811
Loss after taxation/ Total comprehensive expenses for the financial period	(398,399)	(155,138)	(398,399)	(155,138)
Loss after taxation/ Total comprehensive expenses for the financial period attributable to:				
Owners of the Company	(398,399)	(155,138)	(398,399)	(155,138)
Basic loss per share (sen)	(0.10)	(0.04)	(0.10)	(0.04)

The unaudited condensed consolidated statement of profit or loss and other comprehensive income above 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 2023 and the accompanying explanatory notes attached to this interim financial report.

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NOVELPLUS TECHNOLOGY BERHAD
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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	(Unaudited) As at 30.06.2024	(Audited) As at 31.12.2023
	RM	RM
<u>ASSETS</u>		
<u>Non-current assets</u>		
Property, plant and equipment	1,358,006	81,292
Intangible assets	1,268,231	1,266,054
Right-of-use asset	-	-
	2,626,237	1,347,346
<u>Current assets</u>		
Trade receivables	212	188
Other receivables, deposits and prepayments	441,682	492,359
Other investments	4,453,537	6,255,212
Current tax assets	150,452	141,410
Cash and cash equivalents	803,535	761,983
	5,849,418	7,651,152
Total assets	8,475,655	8,998,498
<u>EQUITY AND LIABILITIES</u>		
<u>Equity</u>		
Share capital	9,540,313	9,540,313
Accumulated losses	(1,469,974)	(1,071,575)
Total equity	8,070,339	8,468,738
<u>Non-current liabilities</u>		
Deferred tax liabilities	52,623	155,311
	52,623	155,311
<u>Current liabilities</u>		
Trade payables	65,464	60,378
Other payables and accruals	287,229	314,071
Lease liabilities	-	-
	352,693	374,449
Total liabilities	405,316	529,760
Total equity and liabilities	8,475,655	8,998,498
Net assets per share (RM)	0.02	0.02
Number of ordinary shares	400,000,000	400,000,000

The unaudited condensed consolidated statement of financial position above should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.



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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Share capital	Accumulated losses	Total equity
	RM	RM	RM
Balance at 1.1.2024	9,540,313	(1,071,575)	8,468,738
Loss after taxation/Total comprehensive expenses for the financial period	-	(398,399)	(398,399)
Balance at 30.06.2024	9,540,313	(1,469,974)	8,070,339
Balance at 1.1.2023	9,540,313	(742,986)	8,797,327
Loss after taxation/Total comprehensive expenses for the financial period	-	(155,138)	(155,138)
Balance at 30.06.2023	9,540,313	(898,124)	8,642,189

The unaudited condensed consolidated statement of changes in equity above should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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NOVELPLUS TECHNOLOGY BERHAD
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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	(Unaudited) 6 months ended 30.06.2024	(Unaudited) 6 months ended 30.06.2023
	RM	RM
<u>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</u>		
Loss before taxation	(501,087)	(186,949)
Adjustments for:		
Amortisation of intangible assets	244,563	201,100
Depreciation of equipment	23,286	15,164
Depreciation of right-of-use assets	-	22,378
Interest expense on lease liabilities	-	409
Dividend income	(2,297)	(2,807)
Fair value gain on short term investment	(90,912)	(104,801)
Interest income	(5,490)	(2,501)
Unrealised gain on foreign exchange	(17,426)	(22,153)
Operating (loss)/profit before working capital changes	(349,363)	(80,160)
Decrease in trade and other receivables	50,653	109,016
Decrease in trade and other payables	(21,756)	(2,659)
CASH GENERATED FROM/(USED IN) OPERATIONS	(320,466)	26,197
Interest paid	-	(409)
Tax paid	(9,042)	(22,130)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(329,508)	3,658
<u>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</u>		
Dividend received	2,297	2,807
Interest received	5,490	2,501
Purchase of property, plant and equipment	(1,300,000)	(2,459)
Purchase and origination of intangible assets	(246,740)	(163,202)
Net withdrawal of other investments	1,892,587	317,119
NET CASH GENERATED FROM INVESTING ACTIVITIES	353,634	156,766
<u>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</u>		
Repayment of lease liabilities	-	(23,591)
NET CASH USED IN FINANCING ACTIVITIES	-	(23,591)



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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (continued)

	(Unaudited) 6 months ended 30.06.2024	(Audited) 6 months ended 30.06.2023
	RM	RM
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,126	136,833
EFFECT ON EXCHANGE RATE CHANGES	17,426	22,153
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	761,983	510,886
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	803,535	669,872
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISING:		
Cash and bank balances	803,535	669,872
	803,535	669,872

The unaudited condensed consolidated statement of cash flows above should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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NOVELPLUS TECHNOLOGY BERHAD
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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FPE 30 JUNE 2024

A1 Compliance with financial reporting standard and LEAP Market Listing Requirements of Bursa Securities (“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 report should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2023. 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 2023.

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 2023, except for the adoption of the following Amendments to MFRS during the current financial period:

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107: Supplier Finance Arrangements

The Group has not applied in advance the following new and revised MFRSs, Amendments to MFRSs and International Financial Reporting Standards (“IFRS”) Interpretations Committee (“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 2025:

	Effective for financial periods beginning on or after
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
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 standards and amendments is not expected to have significant impact on the financial position and financial performance of the Group.

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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 6 months ended	
	Unaudited 30.06.2024 RM	Unaudited 30.06.2023 RM	Unaudited 30.06.2024 RM	Unaudited 30.06.2023 RM
Rendering of online reading services	1,717,015	1,881,927	1,717,015	1,881,927
Advertising and others	28,918	69,699	28,918	69,699
Total	1,745,933	1,951,626	1,745,933	1,951,626

A7 Material events subsequent to the end of the financial period

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

A8 Contingent assets and contingent liabilities

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

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A9 Changes in the composition of the Group

There were no changes in the composition of the Group during the current period except for the following: -

- (a) Clover Green Sdn Bhd (a wholly-owned subsidiary of NTB) had on 1 July 2024 acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest in Tameko Sdn Bhd (a company incorporated in Malaysia) for a total cash consideration of RM170,173. Subsequent to the Acquisition, Tameko Sdn Bhd has become a wholly-owned subsidiary of the Company; and
- (b) Clover Green Sdn Bhd (a wholly-owned subsidiary of NTB) had on 1 July 2024 acquired 100,000 ordinary shares of RM1.00 each, representing 100% equity interest in Lobata Sdn Bhd (a company incorporated in Malaysia) for a total cash consideration of RM46,592. Subsequent to the Acquisition, Lobata Sdn Bhd has become a wholly-owned subsidiary of the Company.

A10 Capital commitments

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

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B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

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 subscribers may affect their ability to pay for subscription fees and the Group's ability to attract new subscribers.

The Group recorded a revenue of RM1.75 million for the current period, of which RM1.72 million or approximately 98.3% was generated from the rendering of online reading services while advertising and others contributed approximately RM0.03 million or approximately 1.7%.

The Group recorded a higher loss after taxation of RM0.40 million for the current period (6-month FPE 30 June 2023: RM0.16 million) primarily due to a decline in revenue and higher marketing and other operating expenses.

B2 Prospects of the Group

NovelPlus' library has a vast content of e-books with over 52,000 published novels mostly in Bahasa Melayu (commonly used in Malaysia) and Bahasa Indonesia (commonly used in Indonesia). As such, the Group targets a user base primarily located in Southeast Asia that is literate in either one or all of these languages (Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand).

Further, the e-book market is driven by the proliferation of mobile devices and growth in internet penetration, environmental initiatives to reduce paper usage as well as various government initiatives to promote reading habit in Southeast Asia. The Board is of the view that the e-book market will continue to grow in the near term as more people are accustomed to reading materials online. The improvement in economic conditions in Southeast Asia will also augur well for the growth of the e-book market.

Despite revenue declined for the 6-month FPE 30 June 2024 (unaudited) against the 6-month FPE 30 June 2023 (unaudited), the Board had established additional connections with telecommunication service providers in the third quarter of 2024 by leveraging on the networks of the 2 newly acquired subsidiary companies, being Tameko Sdn Bhd (principally involved in mobile content and data application services) and Lobata Sdn Bhd (principally involved in telecommunication activities), to expand market coverage and is expected to improve the Group's revenue in the future.

B3 Profit forecast / guarantee

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

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C OTHER INFORMATION

C1 Status of corporate proposal

There were no corporate proposals announced but pending completion as at the date of this report.

C2 Status of utilisation of proceeds

The Group had fully utilised the proceeds of RM6.0 million raised from the placement of shares as at the date of this report as follows:

Utilisation purposes	Proposed utilisation RM'000	Variation RM'000	Actual utilisation RM'000	Expected timeframe for the utilisation of proceeds (from the date of listing of the shares)
Acquisition of e-books	1,000	(789)	(211)	Within 36 months
Future business expansion	1,200	(1,077)	(123)	Within 36 months
Enhancement of technological capabilities	1,500	(1,475)	(25)	Within 36 months
Working capital	1,600	3,341	(4,941)	Within 36 months
Listing expenses	700	-	(700)	Immediately
Total proceeds	6,000	-	(6,000)	

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.

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C6 Loss per Share (“LPS”)

(a) Basic LPS

	Individual 6 months ended		Cumulative 6 months ended	
	Unaudited 30.06.2024 RM	Unaudited 30.06.2023 RM	Unaudited 30.06.2024 RM	Unaudited 30.06.2023 RM
Loss after taxation attributable to the owners of the Company (RM)	(398,399)	(155,138)	(398,399)	(155,138)
Weighted average number of shares issued	400,000,000	400,000,000	400,000,000	400,000,000
Basic LPS (sen)	(0.10)	(0.04)	(0.10)	(0.04)

(b) Diluted LPS

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

This report is dated 20 August 2024.