

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾**

	Note	Individual quarter		Cumulative quarter	
		Unaudited Current year quarter ended 30.06.2024 RM'000	Unaudited Preceding year quarter ended 30.06.2023 ⁽²⁾ RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 ⁽²⁾ RM'000
Revenue	A9	8,514	N/A	15,574	N/A
Other operating income		7	N/A	112	N/A
Changes in inventories		(20)	N/A	(39)	N/A
Staff costs		(3,258)	N/A	(6,451)	N/A
Depreciation		(357)	N/A	(704)	N/A
Other operating expenses		(1,812)	N/A	(3,505)	N/A
Profit from operations		3,074	N/A	4,987	N/A
Finance costs		(33)	N/A	(65)	N/A
Finance income		52	N/A	161	N/A
Net finance income		19	N/A	96	N/A
Profit before tax		3,093	N/A	5,083	N/A
Income tax expense	B5	(609)	N/A	(834)	N/A
Net profit / Total comprehensive income for the period		2,484	N/A	4,249	N/A
Net profit / Total comprehensive income attributable to:					
Owners of the Company		2,484	N/A	4,249	N/A
Non-controlling interest		-	N/A	-	N/A
		2,484	N/A	4,249	N/A
Basic and diluted earnings per share (sen) ⁽³⁾	B12	0.62	N/A	1.06	N/A

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

Notes:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountant's Report as disclosed in the prospectus of the Company dated 28 June 2024 issued in relation to the initial public offering ("**IPO**") ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.*
- (2) *This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.*
- (3) *Computed based on the profit attributable to owners of the Company divided by the number of ordinary shares of 400,000,000 after the completion of the acquisition of Inspidea Sdn Bhd ("**Inspidea**") but before the IPO. The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible securities at the end of current quarter and year-to-date.*

N/A - Not applicable.

-The rest of this page is intentionally left blank-

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2024⁽¹⁾**

	Note	Unaudited as at 30.06.2024 <u>RM'000</u>	Audited as at 31.12.2023 <u>RM'000</u>
Non current assets			
Plant and equipment		2,940	3,153
Right of use assets		2,305	2,575
Goodwill		63	63
Deferred tax assets		582	13
		<u>5,890</u>	<u>5,804</u>
Current assets			
Inventories		7	7
Trade receivables		5,710	2,594
Other receivables, deposits and prepayments		860	902
Contract assets		-	856
Fixed deposits with licensed banks		5,175	7,175
Cash and bank balances		10,415	8,047
		<u>22,167</u>	<u>19,581</u>
Total assets		<u>28,057</u>	<u>25,385</u>
Equity			
Share capital		9,560	*
Invested equity		-	6,611
Merger reserve		(2,949)	-
Retained earnings		10,561	11,331
Total equity		<u>17,172</u>	<u>17,942</u>
Non current liabilities			
Borrowings	B8	290	290
Lease liabilities		2,126	2,167
		<u>2,416</u>	<u>2,457</u>
Current liabilities			
Trade payables		10	130
Other payables and accruals		4,533	2,303
Contract liabilities		2,270	755
Borrowings	B8	105	558
Lease liabilities		294	510
Tax payable		1,257	730
		<u>8,469</u>	<u>4,986</u>
Total liabilities		<u>10,885</u>	<u>7,443</u>
Total equity and liabilities		<u>28,057</u>	<u>25,385</u>
Net assets per share (RM) ⁽²⁾		0.04	0.04

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

Notes:

- * *Amount is less than RM1,000*
- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountant's Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per share is calculated based on the total number of 400,000,000 ordinary shares after the completion of the acquisition of Inspidea but before the IPO.*

- The rest of this page is intentionally left blank -

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2024 ⁽¹⁾

	<u>Share capital RM'000</u>	<u>Invested equity RM'000</u>	<u>Merger reserve RM'000</u>	<u>Retained earnings RM'000</u>	<u>Total RM'000</u>
As at 1 January 2024	*	6,611	-	11,331	17,942
Transactions with owners:					
Dividends	-	-	-	(5,019)	(5,019)
Net profit/Total comprehensive income for the period	-	-	-	4,249	4,249
Contributions by and distributions to owners of the Company:					
Issuance of ordinary shares pursuant to acquisition of a subsidiary	9,560	(6,611)	(2,949)	-	-
As at 30 June 2024 (unaudited)	<u>9,560</u>	<u>-</u>	<u>(2,949)</u>	<u>10,561</u>	<u>17,172</u>

Notes:

* Amount is less than RM1,000

(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 Accountant's Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
SECOND QUARTER ENDED 30 JUNE 2024 ⁽¹⁾**

	Unaudited Current year-to- date 30.06.2024 <u>RM'000</u>	Unaudited Preceding year- to-date ⁽²⁾ 30.06.2023 <u>RM'000</u>
Cash flows from operating activities		
Profit before tax	5,083	N/A
Adjustments for:		
Depreciation	704	N/A
Interest income	(161)	N/A
Interest expense	65	N/A
Plant and equipment written off	*	N/A
Operating profit before working capital changes	5,691	N/A
Change in working capital:		
Decrease in inventories	*	N/A
Increase in trade and other receivables	(3,074)	N/A
Changes in contract assets/liabilities	2,371	N/A
Increase in trade and other payables	2,050	N/A
Cash generated from operating activities	7,038	N/A
Income tax paid	(876)	N/A
Net cash from operating activities	6,162	N/A
Cash flows from/(used in) investing activities		
Purchase of plant and equipment	(221)	N/A
Decrease in fixed deposit with maturity of more than 3 months	1,000	N/A
Interest received	161	N/A
Net cash from investing activities	940	N/A
Cash flows from/(used in) financing activities		
Advance from director	60	N/A
Repayment of lease liabilities	(257)	N/A
Repayment of borrowings	(103)	N/A
Interest paid	(65)	N/A
Dividend paid	(5,019)	N/A
Net cash used in financing activities	(5,384)	N/A

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
 (Registration No. 202301011068 (1504989-A))
 (Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
 SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D) ⁽¹⁾**

	Unaudited Current year-to- date 30.06.2024 <u>RM'000</u>	Unaudited Preceding year- to-date ⁽²⁾ 30.06.2023 <u>RM'000</u>
Net increase in cash and cash equivalents	1,718	N/A
Cash and cash equivalents at beginning of the financial period	<u>12,122</u>	<u>N/A</u>
Cash and cash equivalents at end of the financial period	<u><u>13,840</u></u>	<u><u>N/A</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	10,415	N/A
Fixed deposit with licensed banks	<u>5,175</u>	<u>N/A</u>
	15,590	N/A
Less: Fixed deposits pledged with licensed banks	(750)	N/A
Less: Fixed deposits with initial maturity of more than 3 months	<u>(1,000)</u>	<u>N/A</u>
	<u><u>13,840</u></u>	<u><u>N/A</u></u>

Notes:

* Amount is less than RM1,000

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountant's Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

(2) This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The condensed consolidated interim financial statements of Kucingko Berhad (“**Kucingko**” or the **Company**) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and Rule 9.22 and Appendix 9B of Listing Requirements.

This is the interim financial report for the second quarter ended 30 June 2024 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year corresponding period.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

A2. Significant accounting policies

The Group has adopted the new and revised MFRS and their related interpretations that have become mandatory for the current reporting period. The adoption of these new and revised MFRS and IC Interpretations does not result in significant changes in the accounting policies of the Group.

The Group has not adopted the following new standards, amendments to published standards and IC Interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current quarter:

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

	<u>Effective Date</u>
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
MFRS 18 : Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial application.

-The rest of this page is intentionally left blank-

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)

A3. Auditors’ report

There was no qualification on the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review.

A6. Material changes in estimates

There were no material changes in estimates that have material effects for the current financial quarter under review.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A8. Dividend paid

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

-The rest of this page is intentionally left blank-

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)

A9. Segment information

The Group is organized into business units based on the nature of business and has four reportable operating segments as follows:

<u>Operating Segments</u>	<u>Nature</u>
Animation services	- Animation entertainment production and distribution
Information Technology (“IT”) services	- Software and hardware distribution, IT and network infrastructure support and technology training
Food and beverage	- Restaurant operator
Others	- Investment holding and other businesses that do not fall into the above segments

-The rest of this page is intentionally left blank-

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)
A9. Segment information (Cont’d)

The Group’s revenue is segmented as follows:

Revenue by business activities

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter ended 30.06.2024 RM’000	Unaudited Preceding year quarter ended 30.06.2023 ⁽¹⁾ RM’000	Unaudited Current year-to-date 30.06.2024 RM’000	Unaudited Preceding year- to-date 30.06.2023 ⁽¹⁾ RM’000
Revenue by business segments:				
External revenue:				
<i>Animation services</i>	8,497	N/A	15,539	N/A
<i>Food and beverage</i>	17	N/A	35	N/A
<i>IT services</i>	-	N/A	-	N/A
<i>Others</i>	-	N/A	-	N/A
Inter-segment revenue:				
<i>Animation services</i>	344	N/A	1,014	N/A
<i>Food and beverage</i>	12	N/A	30	N/A
<i>IT services</i>	251	N/A	381	N/A
<i>Others</i>	-	N/A	-	N/A
	9,121	N/A	16,999	N/A
Elimination of inter-segment sales	(607)	N/A	(1,425)	N/A
	8,514	N/A	15,574	N/A

Notes:

- (1) This is the interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
 (Registration No. 202301011068 (1504989-A))
 (Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)
A9. Segment information (Cont’d)

The Group’s profit is segmented as follows:

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter ended 30.06.2024 RM'000	Unaudited Preceding year quarter ended 30.06.2023 ⁽¹⁾ RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year- to-date 30.06.2023 ⁽¹⁾ RM'000
Segment results:				
Animation services	3,304	N/A	5,361	N/A
Food and beverage	(68)	N/A	(126)	N/A
IT services	(64)	N/A	(201)	N/A
Others	(98)	N/A	(47)	N/A
Profit from operations	3,074	N/A	4,987	N/A
Finance income	52	N/A	161	N/A
Finance cost	(33)	N/A	(65)	N/A
Profit before taxation	3,093	N/A	5,083	N/A
Income tax expenses	(609)	N/A	(834)	N/A
Profit after taxation	2,484	N/A	4,249	N/A

Notes:

- (1) This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)
A9. Segment information (Cont’d)
Revenue by geographical market

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter ended 30.06.2024 RM'000	Unaudited Preceding year quarter ended 30.06.2023 ⁽¹⁾ RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year -to-date 30.06.2023 ⁽¹⁾ RM'000
North America				
USA	3,798	N/A	6,696	N/A
Canada	3,671	N/A	6,170	N/A
Europe				
France	1,028	N/A	2,632	N/A
Asia Pacific				
Singapore	-	N/A	41	N/A
Malaysia	17	N/A	35	N/A
	8,514	N/A	15,574	N/A

Notes:

- (1) This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable

-The rest of this page is intentionally left blank-

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)**A9. Segment information (Cont’d)**

	Unaudited as at 30.06.2024	Audited as at 31.12.2023
	RM'000	RM'000
Segment assets:		
Animation services	28,230	25,566
Food and beverage	109	110
IT services	383	482
Others	9,665	89
	<u>38,387</u>	<u>26,247</u>
Elimination	(10,330)	(862)
	<u>28,057</u>	<u>25,385</u>
	Unaudited as at 30.06.2024	Audited as at 31.12.2023
	RM'000	RM'000
Segment liabilities:		
Animation services	10,669	7,456
Food and beverage	924	803
IT services	113	221
Others	274	135
	<u>11,980</u>	<u>8,615</u>
Elimination	(1,095)	(1,172)
	<u>10,885</u>	<u>7,443</u>

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)

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

On 21 November 2023, the Company had entered into a conditional share sale agreement with the shareholders of Inspidea to acquire the entire equity interest in Inspidea comprising 4,910,703 ordinary shares for a total purchase consideration of RM9,560,000. The purchase consideration was satisfied by the issuance of 399,999,997 new ordinary shares in Kucingko to the parties nominated by the shareholders of Inspidea at an issue price RM0.0239 each (“**Acquisition**”). The Acquisition was completed on 9 May 2024 subsequent to the fulfillment of conditions precedent pursuant to the share sale agreement. Consequently, Inspidea became a wholly-owned subsidiary of Kucingko.

In conjunction with the Company’s listing on the ACE Market of Bursa Securities (“**Listing**”), the Company had on 28 June 2024 issued the Prospectus for its IPO comprising the Public Issue of 100,000,000 ordinary shares in Kucingko (“**Shares**”) at an issue price of RM0.30 per Share, payable in full upon application, in the following manner:

- (a) 25,000,000 Shares available for application by the Malaysian public;
- (b) 10,000,000 Shares available for application by the eligible Directors and employees as well as persons who have contributed to the Group’s success; and
- (c) 65,000,000 Shares by way of private placement to selected institutional/selected investors.

Upon the completion of the IPO, the issued share capital of the Company has increased to RM39,560,003 (prior to deduction of listing expenses) comprising 500,000,000 ordinary shares and the Company’s entire enlarged issued share capital was listed and quoted on the ACE Market of Bursa Securities on 26 July 2024.

In conjunction with the Listing, the Company has established a long-term incentive plan (“**LTIP**”) of up to 10.00% of the total number of issued shares of the Company, comprising employees’ share option scheme (“**ESOS**”) and employees’ share grant scheme (“**ESGS**”), to be granted to the executive directors and employees who meet the criteria of eligibility for participation in the LTIP in accordance with the By-Laws (“**Eligible Persons**”). The implementation of LTIP has taken effect upon the completion of the IPO. On 26 July 2024, a total of 14,300,000 ESOS options have been offered to the Eligible Persons

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

A11. Changes in the Composition of the Group

Save as disclosed in Note A10, there were no changes in the composition of the Group during the current financial quarter under review.

A12. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at 30 June 2024.

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
 (Registration No. 202301011068 (1504989-A))
 (Incorporated in Malaysia)

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING (CONT’D)
A13. Capital commitments

There were no capital commitments as at 30 June 2024.

A14. Fair value of financial instruments

There were no gain or loss arising from fair value changes of financial assets and liabilities for the current financial quarter under review.

A15. Significant related party transaction

The significant related party transaction is as follows:

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter ended 30.06.2024 RM'000	Unaudited Preceding year quarter ended 30.06.2023 ⁽¹⁾ RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 ⁽¹⁾ RM'000
With companies in which the directors have interest: Subscription of software license	457	N/A	457	N/A

Notes:

(1) *This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.*

N/A - Not applicable

-The rest of this page is intentionally left blank-

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

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

B1. Review of financial performance

Current and cumulative quarter ended 30 June 2024:

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter ended 30.06.2024 RM'000	Unaudited Preceding year quarter ended 30.06.2023 ⁽¹⁾ RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year-to-date 30.06.2023 ⁽¹⁾ RM'000
Revenue	8,514	N/A	15,574	N/A
Profit before tax	3,093	N/A	5,083	N/A
Profit after tax	2,484	N/A	4,249	N/A

Notes:

(1) This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable

The Group recorded revenue of RM8.51 million and RM15.57 million for the current quarter ended and financial year-to-date 30 June 2024, which was mainly derived from the 2D animation production services segment, contributing approximately 99.80% and 99.77%, respectively of the Group's total revenue for the current quarter ended and financial year-to-date under review respectively.

The North America region was the Group's largest revenue contributor for the current quarter, contributing to approximately RM7.47 million or 87.73% of the Group's revenue. The revenue from the North America region was derived from the Group's 2D animation production services during the current quarter.

The Group registered a profit before tax and profit after tax of approximately RM3.09 million and RM2.48 million, respectively during the current quarter.

B2. Comparison with the immediate preceding quarter results

	Unaudited Current year quarter ended 30.06.2024 RM'000	Unaudited Preceding quarter ended 31.03.2024 RM'000	Changes	
			RM'000	%
Revenue	8,514	7,060	1,454	20.59
Profit before tax	3,093	1,990	1,103	55.43
Profit after tax	2,484	1,765	719	40.74

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

On a quarter-on-quarter basis, the Group recorded revenue of RM8.51 million, which is 20.59% higher when compared to the preceding quarter ended 31 March 2024 of RM7.06 million. The overall increase in revenue was mainly derived from 2D animation production services, which recorded an increase by RM1.45 million.

The Group recorded a profit before tax of RM3.09 million for the current quarter, representing an increase of RM1.10 million or 55.43% as compared to the preceding quarter. This was primarily driven by enhanced human resource utilisation and improved operational efficiency for the current quarter.

In line with the above, the Group recorded a higher profit after tax of RM2.48 million in the current quarter, representing an increase of RM0.72 million or 40.74% as compared to RM1.77 million in the preceding quarter.

B3. Prospects

The business strategies and plans are to continue with the Group's existing business activities in 2D animation production and leverage from the Group's core competencies to grow its business. As set out in the Prospectus, the Group intends to focus on the following expansion plan:

- (i) **domestic expansion**, in which the Group plans to set up branch offices in Sabah and Sarawak, as well as undertake technical resources expansion and upgrading existing operational office in Selangor; and
- (ii) **foreign expansion**, in which the Group plans to set up a sales office in Los Angeles, California in USA. By having physical presence in the USA, this is intended to address potential business opportunities with prospective customers and improve customer service by attending promptly to its existing customer within North America.

The expansion of new digital distribution platform, alongside with the traditional media channels such as television broadcasting and cinema screening, will continue to provide opportunities to operators in the 2D animation production industry. The demand for 2D animation is expected to grow across to streaming services such as Netflix, Amazon Prime Video, Disney+, Max, Tencent Video, iQIYI and YouTube. Premised on the above as well as the Group's business strategies and plans, we remain optimistic of the prospects and outlook of the Group.

B4. Profit forecast and profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public document in respect of the current financial quarter under review.

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)**
B5. Income tax expense

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter ended 30.06.2024 RM'000	Unaudited Preceding year quarter ended 31.03.2023 ⁽¹⁾ RM'000	Unaudited Current year-to-date 30.06.2024 RM'000	Unaudited Preceding year- to-date 31.03.2023 ⁽¹⁾ RM'000
Current tax	1,178	N/A	1,403	N/A
Deferred tax	(569)	N/A	(569)	N/A
Total income tax expense	609	N/A	834	N/A
Effective tax rate (%)	19.7%	N/A	16.4%	N/A
Statutory tax rate (%)	24.0%	N/A	24.0%	N/A

Notes:

(1) This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable.

The overall Group's effective tax rate for the current quarter was lower than the statutory tax rate of 24.0% mainly due to tax incentives on increased export services.

B6. Status of corporate proposals

Save as disclosed in Note A10, there were no other corporate proposals announced but not yet completed as at the date of this interim financial report.

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B7. Utilisation of proceeds from the public issue

The gross proceeds from the public issue amounting to RM30.00 million is intended to be utilised in the following manner:

Utilisation of proceeds⁽¹⁾	Proposed utilisation RM'000	Actual utilisation⁽²⁾ RM'000	Estimated timeframe for utilisation from date of the listing
Capacity expansion	17,767	N/A	Within 36 months
USA sales office	4,377	N/A	Within 36 months
Working capital	4,256	N/A	Within 12 months
Listing expenses	3,600	N/A	Immediate
Total	30,000	N/A	

Notes:

- (1) *The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus.*
- (2) *As at 30 June 2024, the IPO of the Company has not been completed as the Company is expected to be listed on the ACE Market of Bursa Securities on 26 August 2024. As such, the proceeds have not been raised and utilised by the Group.*

N/A – Not applicable

B8. Borrowings

The Group's borrowings as at 30 June 2024 are as follows:

	Unaudited as at 30.06.2024 RM'000	Audited as at 31.12.2023 RM'000
Non-current portion		
Term Loan	290	290
	290	290
Current portion		
Term loan	105	208
Overdraft	-	350
	105	558
Total borrowings	395	848

All the borrowings are secured and denominated in Ringgit Malaysia.

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
 (Registration No. 202301011068 (1504989-A))
 (Incorporated in Malaysia)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B9. Dividends proposed**

No dividend has been declared or recommended for payment by the Board of Directors of the Company for the current financial quarter under review.

B10. Material litigation

There were no material litigations involving the Group as at 30 June 2024.

B11. Derivative financial instruments

There were no derivatives financial instruments used in the current financial quarter under review.

B12. Earnings per share (“EPS”)

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

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter ended	Unaudited Preceding year quarter ended	Unaudited Current year-to-date	Unaudited Preceding year- to-date
	30.06.2024	30.06.2023 ⁽¹⁾	30.06.2024	30.06.2023 ⁽¹⁾
Profit attributable to owners of the Company (RM'000)	2,484	N/A	4,249	N/A
Number of ordinary shares in issue ('000)	400,000	N/A	400,000	N/A
Basic/Diluted EPS (sen) ⁽²⁾	0.62	N/A	1.06	N/A

Notes:

(1) *This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.*

(2) *Basic EPS is calculated based on the Company's total number of 400,000,000 ordinary shares as at 30 June 2024. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current quarter and year-to-date.*

N/A – Not applicable

KUCINGKO BERHAD

(Formerly known as Kucingo Sdn Bhd)
(Registration No. 202301011068 (1504989-A))
(Incorporated in Malaysia)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**B13. Notes to the Condensed Consolidated Statements of Comprehensive Income**

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

	Individual quarter		Cumulative quarter	
	Unaudited Current year quarter ended 30.06.2024	Unaudited Preceding year quarter ended (¹)30.06.2023	Unaudited Current year-to-date 30.06.2024	Unaudited Preceding year -to-date (¹)30.06.2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation of plant and equipment	219	N/A	434	N/A
Depreciation of right-of-use assets	138	N/A	270	N/A
Interest expenses	33	N/A	65	N/A
Listing expenses	462	N/A	713	N/A
Interest income	(52)	N/A	(161)	N/A
Wage subsidy / Grants	-	N/A	(59)	N/A
Realised loss /(gain) on foreign exchange	37	N/A	(1)	N/A

Notes:

(1) *This interim financial report for the second quarter ended 30 June 2024 is announced in compliance with the Listing Requirements. There are no comparative figures for the preceding year corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period.*

N/A – *Not applicable*

Save as disclosed above, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

**BY ORDER OF THE BOARD
KUCINGKO BERHAD
30 AUGUST 2024**