



VETECE HOLDINGS BERHAD

Registration No.: 202301046359 (1540273-U)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED
31 AUGUST 2024**

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024⁽¹⁾**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited	Unaudited	Unaudited	Unaudited
		Current year	Preceding year	Current	Preceding
		quarter ended	quarter ended ⁽²⁾	year-to-date	year-to-date ⁽²⁾
		31.08.2024	31.08.2023	31.08.2024	31.08.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	4,004	N/A	19,444	N/A
Cost of sales		(2,662)	N/A	(13,070)	N/A
Gross Profit		1,342	N/A	6,374	N/A
Other income		508	N/A	734	N/A
Administrative expenses ⁽³⁾		(3,518)	N/A	(4,590)	N/A
Operating (Loss)/Profit		(1,668)	N/A	2,518	N/A
Finance costs		(44)	N/A	(177)	N/A
(Loss)/Profit before tax		(1,712)	N/A	2,341	N/A
Income tax expense	B5	(334)	N/A	(1,182)	N/A
(Loss)/profit after tax ("PAT")		(2,046)	N/A	1,159	N/A
Other comprehensive loss					
- Exchange differences on translation of foreign operations		(360)	N/A	(360)	N/A
- Revaluation deficit, net of deferred tax asset		(448)	N/A	(448)	N/A
Total comprehensive (loss)/income		(2,854)	N/A	351	N/A
(Loss)/profit attributable to owners of the Company		(2,046)	N/A	1,159	N/A
Total comprehensive (loss)/income attributable to owners of the Company		(2,854)	N/A	351	N/A
(Loss)/Earnings per share					
- Basic (sen) ⁽⁴⁾	B11	(0.52)	N/A	0.30	N/A

Notes:

- (1) The basis of preparation of the above Unaudited 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 August 2024 in relation to its initial public offering ("IPO") ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report for the fourth quarter ended 31 August 2024 being 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 corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (3) Administrative expenses included one-off expenses of RM2.94 million charged out to profit or loss during the current financial quarter and current financial year. For illustrative purposes only, the Company's financial performance after adjusting for the one-off listing expenses is as follows:

	Individual Quarter Current Year Quarter 31.08.2024 RM'000	Cumulative Quarter Current Year- to-date 31.08.2024 RM'000
(Loss)/Profit before tax	(1,712)	2,341
Add: Listing expenses	2,937	2,937
Adjusted profit before taxation	1,225	5,278

- (4) Computed based on the profit or loss after tax attributable to the owners of the Company divided by 392,000,000 ordinary shares in VETECE Holdings Berhad ("**VETECE**" or "**Company**") ("**VETECE Shares**" or "**Shares**") as at 31 August 2024.

N/A Not applicable.

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2024⁽¹⁾

	Unaudited	Audited
	As at 31 August	As at 31 August
	2024	2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,672	7,418
Total non-current assets	6,672	7,418
Current assets		
Trade receivables	3,190	8,086
Other receivables	294	291
Current tax assets	84	-
Contract assets	2,614	3,680
Fixed deposits placed with licensed banks	1,377	1,343
Cash and bank balances	31,042	4,026
Total current assets	38,601	17,426
TOTAL ASSETS	45,273	24,844
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital/invested equity	39,516	2,077
Other reserves	(13,312)	1,825
Retained earnings	13,675	12,516
TOTAL EQUITY	39,879	16,418
Non-current liabilities		
Loans and borrowings	3,889	4,009
Deferred tax liabilities	160	385
Total non-current liabilities	4,049	4,394
Current liabilities		
Loans and borrowings	120	115
Trade payables	-	1,760
Other payables	1,225	1,496
Current tax liabilities	-	661
Total current liabilities	1,345	4,032
TOTAL LIABILITIES	5,394	8,426
TOTAL EQUITY AND LIABILITIES	45,273	24,844
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	0.10	0.06

Notes:

- (1) *The basis of preparation of the above Unaudited 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 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per ordinary share is calculated based on the Company's number of Shares as at the end of the reporting period/year (As at 31.8.2024: 392,000,000 Shares; As at 31.8.2023: 294,000,000 Shares)*

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2024^{(1) (2)}

	Attributable to owners of the Group					Total Equity RM'000
	Share capital/ invested equity	Exchange reserve	Revaluation reserve	Reorgani sation deficit	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 September 2023	2,077	907	918	-	12,516	16,418
Total comprehensive income for the financial year						
Profit for the financial year	-	-	-	-	1,159	1,159
Other comprehensive income for the financial year	-	(360)	(448)	-	-	(808)
Total comprehensive income	-	(360)	(448)	-	1,159	351
Transactions with owners						
Shares issued for acquisition of subsidiaries	16,406	-	-	-	-	16,406
Reorganisation deficit	(2,077)	-	-	(14,329)	-	(16,406)
Issuance of ordinary shares ⁽³⁾	23,110	-	-	-	-	23,110
At 31 August 2024 (Unaudited)	39,516	547	470	(14,329)	13,675	39,879

Notes:

- (1) *The basis of preparation of the above Unaudited 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 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *This is the second interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.*
- (3) *Issuance of new Shares pursuant to the Company's IPO.*

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 AUGUST 2024⁽¹⁾

	Unaudited	
	Current Year- To-Date	Preceding Year- To-Date⁽²⁾
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	2,341	N/A
Adjustments for:		
Depreciation of property, plant and equipment	197	N/A
Interest income	(34)	N/A
Interest expense	177	N/A
Unrealised loss/(gain) on foreign exchange	53	N/A
Operating profit before changes in working capital	2,734	N/A
Changes in working capital:		
Receivables	4,894	N/A
Contract assets	1,066	N/A
Payables	(888)	N/A
Net cash generated from operations	7,806	N/A
Tax paid, net	(2,010)	N/A
Interest received	34	N/A
Net cash from operating activities	5,830	N/A
Cash flows from investing activities		
Purchase of property, plant and equipment	(41)	N/A
Net cash used in investing activities	(41)	N/A
Cash flows from financing activities		
Fixed deposits pledged as security values	(34)	N/A
Dividends paid	-	N/A
Interest paid	(177)	N/A
Proceeds from issuance of shares	21,582	N/A
Repayments of term loans	(115)	N/A
Net cash from/(used in) financing activities	21,256	N/A
Net increase/(decrease) in cash and cash equivalents	27,045	N/A
Cash and cash equivalents at the beginning of the financial year	4,026	N/A
Effects of exchange rate changes on cash and cash equivalents	(29)	N/A
Cash and cash equivalents at the end of the financial year⁽¹⁾	31,042	N/A
Represented by:		
Cash and bank balances	31,042	N/A
Fixed deposits placed with a licensed bank	1,377	N/A
	32,419	N/A
Less: Fixed deposits pledged as security values	(1,377)	N/A
Total	31,042	N/A

Notes:

- (1) *The above Unaudited Consolidated Statement of Cash Flows 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.*
- (2) *This is the second interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.*
- 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 consolidated interim financial report of VETECE and its subsidiaries (collectively, the “**Group**”) are 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.

This is the Company’s second interim financial report on the unaudited consolidated financial results for the financial year ended 31 August 2024 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 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant accounting policies

The significant accounting policies 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 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB:

Adoption of new MFRS and amendments to MFRSs

For the preparation of the financial statement, the Group has adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

The Group has not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

Effective for annual period beginning on or after 1 January 2024

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 16 Leases

Amendment to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 107 Statement of Cash Flows

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

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

A2. Significant accounting policies (continued)

Effective for annual period beginning on or after 1 January 2026

Amendments to MFRS 1 First-time Adoption of MFRSs
Amendments to MFRS 7 Financial Instruments: Disclosures
Amendments to MFRS 9 Financial Instruments
Amendments to MFRS 10 Consolidated Financial Statements
Amendments to MFRS 107 Statement of Cash Flows

Effective for annual period beginning on or after 1 January 2027

New MFRSs

MFRS 1 Presentation and Disclosure in Financial Statements
MFRS 9 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements
Amendments to MFRS 128 Investments in Associates and Joint Ventures

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

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 August 2023.

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 year-to-date under review.

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

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 year-to-date under review.

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

A6. Material changes in estimates

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

A7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayments of debt and equity securities by the Group during the interim financial reporting period under review, other than as reported below:

Acquisition of Vision Technology Consulting Sdn Bhd (“VTCM”)

VETECE had on 7 February 2024, entered into a conditional share sale agreement with Chan Wai Hoong, Choo Kwang Hui Nicholas, Goh Yeh Hwang and Tee Chee Chiang (“**VTCM Vendors**”) to acquire the entire issued share capital of VTCM of RM2,000,000 comprising 2,000,000 ordinary shares in VTCM for a purchase consideration of RM15,990,848.24. The acquisition of VTCM is to be wholly satisfied by the issuance of 286,574,341 new VETECE Shares at an issue price of RM0.0558 per VETECE Share to the VTCM Vendors.

The purchase consideration of RM15,990,848.24 was arrived at on a willing-buyer-willing-seller basis, after taking into consideration the audited net assets (“**NA**”) of VTCM as at 31 August 2023 of RM16,003,210.00 reflecting a discount of approximately RM12,362 to the foregoing NA for the purposes of computing a whole number of Shares to be issued pursuant to the foregoing acquisition.

The acquisition of VTCM was completed on 21 June 2024.

Acquisition of Vision Technology Consulting Pte Ltd (“VTCS”)

VETECE had on 7 February 2024, entered into a conditional share sale agreement with VETECE Group Sdn. Bhd. (“**VTCS Vendor**”) to acquire the entire issued share capital of VTCS of SGD25,000 comprising 25,000 ordinary shares in VTCS for a purchase consideration of RM414,351.66. The acquisition of VTCS is to be wholly satisfied by the issuance of 7,425,657 VETECE Shares at an issue price of RM0.0558 per VETECE Share to the VTCS Vendor.

The purchase consideration of RM414,351.66 was arrived at on a willing-buyer-willing-seller basis, after taking into consideration the audited NA of VTCS as at 31 August 2023 of RM414,671.65 (represents the audited NA of SGD120,892 converted at the exchange rate of SGD1.00 to RM3.4301 as at 31 August 2023 reflecting a discount of approximately RM321 to the foregoing NA for the purposes of computing a whole number of Shares to be issued pursuant to the foregoing acquisition).

The acquisition of VTCS was completed on 21 June 2024.

A8. Dividend Paid

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

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

A9. Segmental information

The Group's revenue is segmented as follows:

(a) Revenue by business activities and products

	Individual Quarter		Cumulative quarter	
	Unaudited current year quarter ended	Unaudited preceding year quarter ended ⁽¹⁾	Unaudited current year-to-date	Unaudited preceding year-to-date ⁽¹⁾
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
Implementation services	1,830	N/A	8,208	N/A
Maintenance, support and professional services	2,061	N/A	8,292	N/A
Resale of hardware and software	113	N/A	2,944	N/A
	4,004	N/A	19,444	N/A

(b) Revenue by geographical location

	Individual Quarter		Cumulative quarter	
	Unaudited current year quarter ended	Unaudited preceding year quarter ended ⁽¹⁾	Unaudited current year-to-date	Unaudited preceding year-to-date ⁽¹⁾
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	3,029	N/A	18,098	N/A
Singapore	827	N/A	1,016	N/A
Others	148	N/A	330	N/A
	4,004	N/A	19,444	N/A

Notes:

(1) This is the second interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirement. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

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

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

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A11. Changes in the composition of the Group

Save as disclosed in Note A7, there were no changes in the composition of the Group during the current financial quarter and financial year-to-date.

A12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group as at 31 August 2024.

A13. Related Party Transactions Disclosures

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

	Individual Quarter		Cumulative quarter	
	Unaudited current year quarter ended	Unaudited preceding year quarter ended ⁽¹⁾	Unaudited current year-to-date	Unaudited preceding year-to-date ⁽¹⁾
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
Entities controlled by directors:				
- Rental income	7	N/A	29	N/A

Notes:

(1) This is the second interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirement. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

A14. Capital Commitments

There are no material capital commitments as at 31 August 2024.

A15. Fair value of financial instruments

There were no gain or loss arising from fair value changes of financial assets and liabilities for the current quarter and year-to-date ended 31 August 2024.

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

B1. Review of Financial Performance

	Individual Quarter		Cumulative Quarter	
	Unaudited current year quarter ended	Unaudited preceding year quarter ended ⁽¹⁾	Unaudited current year-to-date	Unaudited preceding year-to-date ⁽¹⁾
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	4,004	N/A	19,444	N/A
(Loss)/Profit before tax		N/A	2,341	N/A
(Loss)/Profit after tax	(1,712)			
(Loss)/Profit after tax attributable to owners of the Company	(2,046)	N/A	1,159	N/A

Notes:

(1) *This is the second interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.*

N/A *Not applicable.*

(a) Results for current quarter

The Group recorded revenue of RM4.00 million and loss before tax of RM1.71 million for the current financial quarter. The Group's revenue is mainly derived from the implementation services and maintenance, support and professional services segment. The implementation services recorded a revenue of RM1.83 million or approximately 45.75% of the Group's total revenue while the maintenance, support and professional services segment recorded a revenue of RM2.06 million or approximately 51.50% of the Group's total revenue.

Malaysia was the Group's largest market, contributing to approximately 75.65% of the Group's revenue in the current financial quarter.

No comparative figures for the preceding year's corresponding quarter are available as this is the second interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirements.

(b) Results for financial year-to-date

The Group recorded revenue of RM19.44 million and profit before tax of RM2.34 million for the 12-month ended 31 August 2024. The implementation services accounted for 42.23% of the Group's total revenue, or RM8.21 million, while the maintenance, support and professional services segment accounted for 42.64%, or RM8.29 million.

Malaysia was the Group's largest market, contributing to approximately 93.08% of the Group's revenue in the current financial year.

The Group generated a profit after tax of RM1.16 million for the 12-month ended 31 August 2024 after deducting RM2.94 million listing expenses.

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

B1. Review of Financial Performance (continued)

No comparative figures for the preceding year's corresponding period are available as this is the fourth interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter's Results

	Individual Quarter 3-Month			
	Ended			
	<u>31.08.2024</u>	<u>31.05.2024</u>	<u>Variance</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	4,004	6,871	(2,867)	41.73
(Loss)/profit after tax	(2,046)	1,506	(3,552)	235.86

The Group's revenue for the current financial quarter ended 31 August 2024 was approximately RM4.00 million, mainly from Implementation and Support Services. Revenue decreased by RM2.87 million compared to the preceding financial quarter ended 31 May 2024, primarily due to a drop in the resale of software and hardware, which declined by RM2.28 million.

One-time listing expenses of RM2.94 million were incurred during the current financial quarter. Excluding these one-off expenses, the Group's profit after tax would be RM0.89 million compared to RM1.51 million in the previous quarter. The lower adjusted profit was also in line with the lower revenue in the financial quarter.

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

B3. Prospects of the Group

A summary of the Group's future plans and business strategies is set out below:

(i) Expansion of enterprise information technology (“IT”) solutions portfolio to include artificial intelligence-driven data handling and analytic solutions

Given the impact of artificial intelligence (“AI”) bringing improvements in efficiency, decision making and innovation across various industries, the Group intends to introduce AI-driven data handling and analytic solutions to complement existing enterprise application integration and data engineering solutions.

(ii) Continuous strengthening of the Group's enterprise application integration and enterprise data engineering and analytics solutions

The Group is actively exploring new enterprise application integration and enterprise data engineering and analytics solutions with both existing and new technology partners. With the Group's existing technology partners, the Group plans to leverage on their established relationships to actively promote any new features or enhancement in their technology partners' software solutions. For new technology partners, the Group intends to continue with their effort in identifying potential new technology partners by among others, participating in technology trade shows and conferences and continuously engaging with business network for any potential referrals. By doing this, the Group aims to expand their product offerings and broaden their client base both locally and overseas.

(iii) Establishment of a Centre of Excellence (“COE”) for software solutions

The Group intends to establish a COE for software solutions which allows them to undertake projects for overseas clients remotely from the Group's base of operation in Malaysia. By establishing a COE that adheres to international IT security standards, this is expected to address the requirement of their overseas clients who are seeking for cost-effective enterprise IT solutions without compromising data security, as well as for overseas clients that do not have their internal IT offices in Malaysia to accommodate their IT professionals to work in their premises.

(iv) Strengthening of the Group's Singapore operations

The Group through their subsidiary, VTCS maintains a presence in Singapore because of its role as a gateway to the Asia Pacific region, especially with the presence of many international financial institutions and multinational companies' regional offices in Singapore. The operations in Singapore have historically relied on the Group's Malaysia-based IT professionals who travel to Singapore for implementation, maintenance and support services. The COVID-19 pandemic disrupted the Group's business, impeding the Group's ability to identify sales opportunities and implement solutions in Singapore. Recognising the potential for expansion in the Singapore market, the Group's business strategy is to strengthen its Singapore operation and to grow their revenue stream from overseas clients by focusing on key areas such as marketing and client relations. As such, the Group intends to strengthen their Singapore operations through talent acquisitions and establishing a Singapore office.

Further details of the Group business strategies and prospects and the Independent Market Research Report are set out in Sections 7.23 and 8 of the Prospectus, respectively. Premised on the above, the Group remains optimistic of the prospects and outlook of the Group.

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

B4. Profit forecast and profit guarantee

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

B5. Income tax expense

	Quarter Ended		Year-To-Date Ended	
	31.08.2024	31.08.2023 ⁽²⁾	31.08.2024	31.08.2023 ⁽²⁾
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current period	334	N/A	1,182	N/A
Effective tax rate ⁽¹⁾ (%)	N/A	N/A	50.49	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

(1) *The Group's effective tax rate exceeds the statutory rate of 24.00%, primarily due to RM2.99 million listing expenses incurred by Company that are not tax-deductible.*

(2) *This is the second interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.*

N/A *Not applicable.*

B6. Status of Corporate Proposals

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

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

B7. Utilisation of proceeds from the Public Issue

The gross proceeds raised by the Company from the Public Issue of RM24.50 million is intended to be utilised in the following manner:

Utilisation of proceeds ⁽¹⁾	Amount of proceeds		Actual utilisation ⁽²⁾ (RM'000)	Balanced to be utilised (RM'000)	Estimated timeframe for use upon Listing
	(RM'000)	%			
Roll out of new core products and services	2,192	8.95	-	2,192	Within 24 months
Strengthening of Singapore operations	3,293	13.44	-	3,293	Within 24 months
Establishment of a COE for software solutions	3,795	15.49	-	3,795	Within 36 months
Hardware and software licensing fees	6,520	26.61	-	6,520	Within 24 months
Loan repayments	4,004	16.34	-	4,004	Within 6 months
Estimated listing expenses	4,696	19.17	4,040	656	Within 1 month
Total Public Issue proceeds	24,500	100.00	4,040	20,460	

Notes:

- (1) *The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus.*
- (2) *As of the interim date of this report, save for the estimated listing expenses, no proceeds have been utilised by the Group, as the listing was only completed on 28 August 2024.*

B8. Group borrowings and debts securities

The Group's borrowings as at 31 August 2024 are as follows:

	<u>Unaudited</u> <u>31.08.2024</u> <u>RM'000</u>	<u>Audited</u> <u>31.08.2023</u> <u>RM'000</u>
Non-current:		
- Long-term borrowings	3,889	4,009
Current:		
- Short-term borrowings	120	115
Total borrowings	4,009	4,124

All the borrowings are secured and denominated in Ringgit Malaysia.

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

B9. Material litigations

There were no material litigations by or against the Group as at 31 August 2024.

B10. Dividends proposed

No dividend was proposed by the Board of Directors for the since the beginning of the current financial year.

B11. Earnings Per Share

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

	Individual Quarter		Cumulative quarter	
	Unaudited current year quarter ended	Unaudited preceding year quarter ended ⁽²⁾	Unaudited current year-to-date	Unaudited preceding year-to-date ⁽²⁾
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to owners of the company	(2,046)	N/A	1,159	N/A
Weighted average number of ordinary shares in issue ('000)	392,000 ⁽¹⁾	N/A	392,000 ⁽¹⁾	N/A
Basic EPS (sen) ⁽¹⁾	(0.52)	N/A	0.30	N/A

Notes:

(1) *Basic/Diluted EPS is calculated based on the Company's issued share capital of 392,000,000 Shares as at 31 August 2024. Basic EPS and diluted EPS are the same as the Company does not have any outstanding convertible securities as at the end of the current financial quarter and financial year under review.*

Basic/Diluted EPS of the Group is calculated by dividing the net profit by the weighted average number of ordinary shares. In determining the weighted average number of ordinary shares in issue, the issuance of shares pursuant to the changes in composition of the Group (refer to Note A11) is treated as if it had been issued since the beginning of the year.

(2) *This is the second interim financial report for the fourth quarter ended 31 August 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.*

N/A *Not applicable.*

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

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

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

	Individual Quarter		Cumulative quarter	
	Unaudited current year quarter ended	Unaudited preceding year quarter ended ⁽¹⁾	Unaudited current year-to-date	Unaudited preceding year-to-date ⁽¹⁾
	31.08.2024	31.08.2023	31.08.2024	31.08.2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging / (crediting):				
Auditor remuneration	95	N/A	141	N/A
Depreciation of property, plant and equipment	48	N/A	197	N/A
Directors' remuneration	386	N/A	756	N/A
Employee benefit expenses (excluding director remuneration)	2,125	N/A	9,349	N/A
Interest expenses	44	N/A	177	N/A
Interest income	(8)	N/A	(34)	N/A
Realised gain on foreign exchange	(480)	N/A	(516)	N/A
Unrealised loss on foreign exchange	53	N/A	53	N/A

Notes:

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

N/A Not applicable.

B13. Derivative financial instruments

There were no derivatives financial instruments used in the current quarter and year-to-date ended 31 August 2024.

B14. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 24 October 2024.