



Registration No. 200201003114 (570777-X)
(Incorporated In Malaysia)

**UNAUDITED FINANCIAL STATEMENTS FOR
THE FINANCIAL PERIOD ENDED
30 September 2023**

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Financial		Year to date	
	Quarter Ended		Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	7,228	-	7,228	-
Cost of sales	(2,514)	-	(2,514)	-
Gross profit	4,714	-	4,714	-
Other income	48	-	48	-
Other operating expenses	(469)	-	(469)	-
Marketing expenses	(43)	-	(43)	-
Administrative expenses	(1,542)	-	(1,542)	-
Finance cost	(5)	-	(5)	-
Share of result of associates	67	-	67	-
Profit before tax	2,770	-	2,770	-
Tax expense	(686)	-	(686)	-
Profit for the year	2,084	-	2,084	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	2,084	-	2,084	-
Profit for the year attributable to:				
Owners of the parent	2,084	-	2,084	-
Non-controlling interest	-	-	-	-
Total comprehensive income for the year :				
attributable to owners of the parent	2,084	-	2,084	-
Non-controlling interest	-	-	-	-
Earnings per share				
- Basic (sen)	0.37	-	0.37	-
- Diluted (sen)	0.37	-	0.37	-

Notes:

- The financial year end of the Group has been changed from 31 December to 30 June. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 January 2022 to 30 June 2023. There will be no comparative financial information available for the financial period ended 30 June 2023 and 30 June 2024.
- The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	Note	(Unaudited) 30.09.2023 RM'000	(Audited) 30.06.2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		3,324	3,552
Rights-of-use assets		19,972	20,125
Product Development costs		15,939	15,432
Goodwill		29	29
Investment in associate		385	318
Other investment		10,765	10,765
Total non-current assets		50,414	50,221
Current assets			
Inventories		31	31
Trade and other receivables	B7	26,413	25,148
Tax recoverable		294	575
Deposits, cash and bank balances and short-term funds		31,293	31,171
Total current assets		58,031	56,925
TOTAL ASSETS		108,445	107,146
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		81,176	81,176
Reserves		17,803	15,719
Equity attributable to owners of the parent		98,979	96,895
Non-controlling interests		-	-
TOTAL EQUITY		98,979	96,895

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	(Unaudited) 30.09.2023 RM'000	(Audited) 30.06.2023 RM'000
EQUITY AND LIABILITIES (continued)		
Non-current liabilities		
Lease liabilities	65	104
Deferred taxation	2,363	2,363
Total non-current liabilities	2,428	2,467
Current liabilities		
Trade and other payables	3,774	3,614
Contract liabilities	2,891	3,642
Lease Liabilities	373	528
Tax payable	-	-
Total current liabilities	7,038	7,784
TOTAL LIABILITIES	9,466	10,251
TOTAL EQUITY AND LIABILITIES	108,445	107,146
Net assets per share attributable to equity holders of the Company (RM)	0.18	0.17

Notes:

- i) The financial year end of the Group has been changed from 31 December to 30 June. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 January 2022 to 30 June 2023. There will be no comparative financial information available for the financial period ended 30 June 2023 and 30 June 2024.
- ii) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Attributable to owners of the parent						Non-Controlling Interests	Total Equity
	Non-distributable reserves				Distributable	Total		
	Share Capital	Treasury Shares	Fair Value Reserve	Other Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended								
30 September 2023								
At 1 July 2023	81,176	-	(4,680)	(81)	20,480	96,895	-	96,895
Profit for the period	-	-	-	-	2,084	2,084	-	2,084
Total comprehensive income/(loss) for the period	-	-	-	-	2,084	2,084	-	2,084
At 30 September 2023	81,176	-	(4,680)	(81)	22,564	98,979	-	98,979

	Attributable to owners of the parent						Non-Controlling Interests	Total Equity
	Non-distributable reserves				Distributable	Total		
	Share Capital	Treasury Shares	Fair Value Reserve	Other Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended								
30 September 2022								
At 1 July 2022	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-
At 30 September 2022	-	-	-	-	-	-	-	-

Notes:

- The financial year end of the Group has been changed from 31 December to 30 June. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 January 2022 to 30 June 2023. There will be no comparative financial information available for the financial period ended 30 June 2023 and 30 June 2024.
- The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Report on Consolidated Results for the Financial Year Ended 30 September 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	3 Months Period Ended	
	30.09.2023	30.09.2022
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	2,770	-
Adjustments for:		
Amortisation of development costs	692	-
Depreciation of property, plant and equipment	227	-
Depreciation of right of used assets	154	-
Gain on disposal of property, plant and equipment	(1)	-
Share of result of associates	(67)	-
Interest expense	5	-
Interest income from deposits with licensed banks	(45)	-
Operating profit before working capital changes	3,735	-
Changes in working capital:		
(Increase) in inventories	-	-
Decrease/(Increase) in trade and other receivables	(1,408)	-
(Decrease) in trade and other payables	(448)	-
Cash generated from operations	1,879	-
Tax paid	(405)	-
Interest paid	(5)	-
Net cash from/(used in) operating activities	1,469	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Addition of product development cost	(1,199)	-
Interest received	45	-
Net cash from /(used in) investing activities	(1,154)	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of lease liability	(157)	-
Repayment of hire purchase liability	(37)	-
Net cash from/(used) in financing activities	(194)	-
Net decrease in cash and cash equivalents	121	-
Effects of exchange rate changes	1	-
Cash and cash equivalents at 1 July 2023	31,171	-
Cash and cash equivalents at 30 September 2023	31,293	-

Notes:

- The financial year end of the Group has been changed from 31 December to 30 June. As such, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 January 2022 to 30 June 2023. There will be no comparative financial information available for the financial period ended 30 June 2023 and 30 June 2024.
- The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)

A1. Basis of Preparation

The unaudited interim financial statements, for the period ended 30 September 2023, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 30 June 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2023.

Since the previous annual audited financial statements as at 30 June 2023 were issued, the Group has adopted the Malaysia Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converged Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

At the date of issuance of this unaudited interim financial statements, the MFRSs, amendments to MFRSs and IC Interpretation have been issued by MASB but not yet effective are as listed below:

		Effective dates for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
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 112	International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101	/non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
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 until further notice

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

The Group and the Company are in the process of assessing the impact of implementing these Amendments and Standards, since the effect would only be observable for the future financial years.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2023 was not qualified.

A3. Seasonality or Cyclicity of Interim Operations

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review and financial year.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the current financial quarter under review and financial year, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5. Material Changes in Accounting Estimates

There was no material changes in estimates of amounts reported in the prior financial year, that has a material effect on the current financial quarter under review and financial year.

A6. Issuances, Cancellation, Repurchases, Resale and Repayments of Debts and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debts and equity securities for the current period under review.

A7. Dividends

On 30 August 2023, the Board of Directors declared final single-tier dividend of 0.50 sen per ordinary share, amounting to approximately RM2.8 million in respect of financial year ending 30 June 2023. The dividend will be paid after shareholders’ approval in next Annual General Meeting.

A8. Segmental Reporting

Segment information is presented in respect of the Group’s business segments.

- (i) Application Solutions (“AS”)
 - Sales of software applications and product on an outright purchase basis.
- (ii) Application Services Providers (“ASP”)
 - Income from outsourcing service charge which is volume and transaction based.
- (iii) Maintenance Services
 - Provision of maintenance services.

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

A8. Segmental Reporting

(a) Individual quarter

(a) Individual quarter

<u>3 Months Period Ended</u>	AS	ASP	Maintenance Services	Total
<u>30-Sep-23</u>	RM’000	RM’000	RM’000	RM’000
Revenue				
Total revenue	1,946	4,629	732	7,307
Inter-segment revenue	-	(79)	-	(79)
Revenue from external customers	1,946	4,550	732	7,228
Results				
Segment results	588	1,706	369	2,663
Finance costs				(5)
Share of result of associates				67
Interest income from deposits with licensed bank				45
Profit before tax				2,770
Income tax expenses				(686)
Net profit for the period / Total comprehensive income for the period				2,084

<u>3 Months Period Ended</u>	AS	ASP	Maintenance Services	Total
<u>30-Sep-22</u>	RM’000	RM’000	RM’000	RM’000
Revenue				
Total revenue	-	-	-	-
Inter-segment revenue	-	-	-	-
Revenue from external customers	-	-	-	-
Results				
Segment results	-	-	-	-
Finance costs				-
Interest income from deposits with licensed bank				-
Profit before tax				-
Income tax expenses				-
Net profit for the period / Total comprehensive income for the period				-

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)

(b) Accumulated quarter

<u>3 Months Period Ended</u>	AS	ASP	Maintenance Services	Total
<u>30-Sep-23</u>	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue	1,946	4,629	732	7,307
Inter-segment revenue	-	(79)	-	(79)
Revenue from external customers	1,946	4,550	732	7,228
Results				
Segment results	588	1,706	369	2,663
Finance costs				(5)
Share of result of associates				67
Interest income from deposits with licensed bank				45
Profit before tax				2,770
Income tax expenses				(686)
Net profit for the period / Total comprehensive income for the period				2,084

<u>3 Months Period Ended</u>	AS	ASP	Maintenance Services	Total
<u>30-Sep-22</u>	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue	-	-	-	-
Inter-segment revenue	-	-	-	-
Revenue from external customers	-	-	-	-
Results				
Segment results	-	-	-	-
Finance costs				-
Interest income from deposits with licensed bank				-
Profit before tax				-
Income tax expenses				-
Net profit for the period / Total comprehensive income for the period				-

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") (continued)

A9. Subsequent Material Event

There was no material event subsequent to the current financial quarter ended 30 September 2023 up to the date of the announcement of this report, which is likely to substantially affect the results of the operations of the Group for the current financial quarter under review.

A10. Changes in the Composition of the Group and Financial Year End.

As at 30 September 2023, there is no change in the composition of the Group.

A11. Changes in Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets for the current financial quarter under review.

A12. Recurrent Related Party Transactions ("RRPT")

The tenancy agreement with MY E.G. Services Berhad for renting office space located at Level 31, MYEG Tower, Empire City. No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya. Detail of transaction as follows:

Term of tenancy: 1 December 2020 to 30 November 2023

Monthly rental: RM30,256.20

A13. Capital Commitments

There is no capital commitments for the current financial quarter under review.

A14. Memorandum of Understanding (MOU)

On 1 August 2017, The Board of Directors of EForce announced the signing of a MOU with Aquis for software and operations support. The MOU concerns intention to enter into a software delivery, support and operations agreement in the area of designing and building infrastructure and software, and customised training to support operationalization.

As at reporting date, we are still in discussion with Aquis and has not formalise the MOU into a definitive agreement yet.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B1. Review of Group's Performance

Current Year -to date vs. Previous Year-to date

	Individual Period				Cumulative Period			
	Current Year	Preceding Year	Changes		Current Year	Preceding Year	Changes	
	Quarter	Corresponding Quarter			Quarter	Corresponding Quarter		
	30/09/23	30/09/22			30/09/23	30/09/22		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	7,228	-	-	-	7,228	-	-	-
Operating Profit	2,661	-	-	-	2,661	-	-	-
Profit Before Interest and Tax	2,720	-	-	-	2,720	-	-	-
Profit Before Tax	2,770	-	-	-	2,770	-	-	-
Profit After Tax	2,084	-	-	-	2,084	-	-	-
Profit Attributable to Ordinary Equity Holders of the Parent	2,084	-	-	-	2,084	-	-	-

The financial year end of the Group has been changed from 31 December to 30 June. As such, there will be no comparative financial information available for the financial period ended 30 June 2024.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

B2. Variation of Results against Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/09/23	30/06/23		
	RM'000	RM'000	RM'000	%
Revenue	7,228	6,291	937	15%
Operating Profit	2,661	1,706	955	56%
Profit Before Interest and Tax	2,720	1,734	986	57%
Profit Before Tax	2,770	1,779	991	56%
Profit After Tax	2,084	1,025	1,059	103%
Profit Attributable to Ordinary Equity Holders of the Parent	2,084	1,025	1,059	103%

The Group's revenue for current quarter was RM7.2 million, higher by RM937,000 or 15% compared to immediately preceding quarter. The increase was mainly attributed to higher AS revenue as a result from higher project revenue recognised.

PBT and PAT recorded higher by RM1 million and RM1.1 million respectively, mainly due to higher revenue.

B3. Prospects for 2024

Uncertainty on interest rate movements, inflation rate and geopolitical tension are continuing concerns for businesses. These uncertainty impacts stock trading sentiment at Bursa Malaysia.

Our customers are accelerating time to market for their new product and service offering to stay ahead. We are actively supporting them in this endeavour, and helping them to improve and digitalise their internal processes to reduce operational costs and increase work efficiency.

We are enhancing our existing system capability and developing new product offering to meet our customers' trading and business needs. Furthermore, the Group is exploring business expansion and collaboration opportunities with potential partners in Malaysia and overseas, leveraging on our technology capability and know-how.

To manage our own cost base, we are closely monitoring our operating expenditure, reviewing current processes and procedures to improve productivity and efficiency.

Barring any unforeseen circumstances, the Group is cautiously optimistic on the performance of our business ahead.

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B4. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast nor profit guarantee for the current financial quarter under review and the financial year.

B5. Taxation

The taxation charge for the individual financial quarter and the financial year are as follows:

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Income tax	686	-	686	-
Deferred tax	0	-	0	-
	<u>686</u>	<u>-</u>	<u>686</u>	<u>-</u>

B6. Status of Corporate Proposals

There were no corporate proposals announced as at the date of this quarterly report.

B7. Trade and Other Receivables

	RM'000
Trade receivables	3,984
Other receivables	22,429
	<u>26,413</u>

Analysis of the trade receivables ageing of the Group is as follows:

	RM'000
0 – 30 days	1,747
31 – 60 days	1,128
61 – 90 days	330
91 – 120 days	314
121 – 150 days	90
More than 150 days	449
	<u>4,058</u>
Expected Credit Loss	(63)
Impairment (specific)	(11)
Net trade receivables	<u>3,984</u>

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B8. Group Borrowings and Debt Securities

The Company does not have any borrowing and debt securities as at the date of this report.

B9. Off Balance Sheet Financial Instruments

The Company does not have any off balance sheet financial instruments as at the date of this report.

B10. Material Litigation

The Group is not engaged in any material litigation and the Board does not have any knowledge of any proceedings pending or threaten against the Group as at the date of this report.

B11. Dividends

On 30 August 2023, the Board of Directors declared final single-tier dividend of 0.50 sen per ordinary share, amounting to approximately RM2.8 million in respect of financial year ending 30 June 2023. The dividend will be paid after shareholders approval in next Annual General Meeting.

B12. Earnings per Share ("EPS")

	Individual Quarter Ended		Year to date Quarter Ended	
	30.09.23	30.09.22	30.09.23	30.09.22
(a) Basic EPS				
Net profit attributable to the equity holders of the Company (RM'000)	2,084	-	2,084	-
Weighted average number of ordinary shares in issue ('000)	559,378	-	559,378	-
Basic EPS (sen)	0.37	-	0.37	-
(b) Diluted EPS				
Net profit attributable to the equity holders of the Company (RM'000)	2,084	-	2,084	-
Weighted average number of ordinary shares in issue ('000)	559,378	-	559,378	-
Basic EPS (sen)	0.37	-	0.37	-

B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)

B12. Earnings per Share ("EPS") (continue)

The calculation of the basic EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter / year ended 30 June, divided by the weighted average number of ordinary shares outstanding during the financial year.

The calculation of the diluted EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter / year ended 30 June, divided by the weighted average number of ordinary shares outstanding during the financial year.

B13. Profit for the year

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Profit for the year is arrived after charging:				
Amortisation of development costs	692	-	692	-
Depreciation of property, plant and equipment	227	-	227	-
Depreciation of right of used assets	154	-	154	-
Loss on foreign exchange	3	-	3	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
and after crediting:				
Gain on disposal of PPE	-	-	0	-
Gain on foreign exchange	1	-	1	-
Interest income from deposits with licensed bank	45	-	45	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>