DYNAFRONT HOLDINGS BERHAD
Registration No.: 202001042085 (1398406-X)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2024

DYNAFRONT HOLDINGS BERHAD
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DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities and other information of its subsidiaries are set out in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	1,807,101	751,289

DIVIDENDS

On 22 August 2023, as disclosed in the last year's report, the Directors declared and approved an interim single-tier dividend of RM0.006 per ordinary share for the financial year ended 30 June 2024 amounted to RM648,000, which was paid by the Company on 8 September 2023.

On 20 August 2024, the Directors declared and approved an interim single-tier dividend of RM0.007 per ordinary share for the financial year ended 30 June 2024 amounted to RM756,000, which was paid by the Company on 9 September 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUANCE OF SHARES OR DEBENTURES

The Company has not issued any shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS OF THE COMPANY

The Directors in office during the financial year and at this report are:

Chan Eng Lim *
Gan Hui Ping *
Fazrin Azwar Bin Md. Nor
Wan Zamri Bin Wan Zain

* *Being a Director of one or more subsidiaries*

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of the financial year in shares or debentures of the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares			
	At 01.07.2023 Unit	Acquired Unit	Sold Unit	At 30.06.2024 Unit
Name of Directors: *Ordinary shares in the Company*				
Direct interest:				
- Chan Eng Lim	1	-	-	1
- Gan Hui Ping	8,748,635	-	-	8,748,635
Indirect interest:				
- Chan Eng Lim ^	8,748,635	-	-	8,748,635
- Gan Hui Ping ^	1	-	-	1
Name of Directors: *Ordinary shares in related company*				
Deemed interest:				
- Chan Eng Lim *	22,594,126	-	-	22,594,126
- Gan Hui Ping *	11,297,064	-	-	11,297,064

^ *By virtue of shares held by spouse*
* *Deemed interest by virtue of shares held in Watergate Solidwood Sdn. Bhd. pursuant to Section 8(4) of the Act.*

The other Directors in office at the end of the financial year had no interest in the shares and warrants of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

The amounts of fees and other benefits paid to or receivable by the Directors of the Company and its subsidiaries and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM	Subsidiary RM
Fees	12,000	-
Salaries, bonus and other emoluments	863,500	66,586
Contributions to defined contribution plan	129,000	-
Social security contributions	2,317	-
Total remuneration	1,006,817	66,586

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 23 to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that no provision for doubtful debts was necessary; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would necessitate the writing off of bad debts or the provision for doubtful debts;

   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

   (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

   (iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (cont'd)

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the abilities of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

(e) The total amount paid to or receivable by the auditors of the Company and its subsidiaries as remuneration for their services for the financial year are as set out in Note 4 to the financial statements.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director of the Company.

(g) There was no indemnity given to or insurance effected for any Director, officer or auditor of the Company and its subsidiaries.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 14 October 2024.

CHAN ENG LIM

GAN HUI PING

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 10 to 60 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 14 October 2024.

CHAN ENG LIM

GAN HUI PING

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, CHAN ENG LIM, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 10 to 60 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed
at Kuala Lumpur in the Federal Territory
on 14 October 2024

CHAN ENG LIM

Before me,

PESURUHJAYA SUMPAH
No. W 1006
MOHAMAD ZULISWANDI
BIN MOHAMED
1.12.2022 - 31.12.2024
MALAYSIA

Level 25, Menara Hong Leong,
No. 6, Jalan Damanlela Bukit Damansara,
50490 Kuala Lumpur.

MOORE

Moore Stephens Associates PLT
[201304000972 (LLP0000963-LCA)]
Chartered Accountants [AF002096]
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DYNAFRONT HOLDINGS BERHAD
Registration No.: 202001042085 (1398406-X)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DynaFront Holdings Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 30 June 2024, and notes to the financial statements, including material accounting policy information, as set out on pages 10 to 60.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matter

Key audit matters are those matter that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Information Other than the Financial Statements and Auditors' Report Thereon (cont'd)

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DYNAFRONT HOLDINGS BERHAD (cont'd)
Registration No.: 202001042085 (1398406-X)
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Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

MOORE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DYNAFRONT HOLDINGS BERHAD (cont'd)
Registration No.: 202001042085 (1398406-X)
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 10 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Moore

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

LO KUAN CHE
03016/11/2024 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 14 October 2024

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Revenue	3	12,423,657	12,114,368	2,992,846	4,003,055
Cost of sales		(4,368,248)	(3,408,635)	-	-
Gross profit		8,055,409	8,705,733	2,992,846	4,003,055
Other income		713,081	940,964	268,956	358,512
Administrative expenses		(2,558,716)	(2,505,370)	(2,192,112)	(2,044,573)
Other expenses		(3,562,886)	(3,426,363)	(196,243)	(5,502)
Profit from operations		2,646,888	3,714,964	873,447	2,311,492
Finance costs		(18,789)	(12,590)	-	-
Profit before tax	4	2,628,099	3,702,374	873,447	2,311,492
Tax expense	5	(820,998)	(866,265)	(122,158)	(88,838)
Profit for the financial year		1,807,101	2,836,109	751,289	2,222,654
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operation		(103,387)	63,939	-	-
Total comprehensive income for the financial year		1,703,714	2,900,048	751,289	2,222,654
Profit attributable to:					
- Owners of the Company		1,807,101	2,833,343	751,289	2,222,654
- Non-controlling interest		-	2,766	-	-
		1,807,101	2,836,109	751,289	2,222,654
Total comprehensive income attributable to:					
- Owners of the Company		1,703,714	2,897,282	751,289	2,222,654
- Non-controlling interest		-	2,766	-	-
		1,703,714	2,900,048	751,289	2,222,654
Basic earnings per ordinary share attributable to Owners of the Company (sen):	6	1.67	2.62		

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
ASSETS					
Non-Current Assets					
Plant and equipment	7	407,175	499,573	-	-
Right-of-use assets	8	1,588,156	1,222,728	-	-
Intangible assets	9	-	-	-	-
Investments in subsidiaries	10	-	-	7,293,011	5,913,208
Tax recoverable	11	33,077	207,330	-	-
Deferred tax assets	12	207,298	266,000	-	-
		2,235,706	2,195,631	7,293,011	5,913,208
Current Assets					
Trade receivables	13	2,838,289	1,976,936	-	-
Other receivables	14	203,343	172,036	19,809	2,500
Amount due from a subsidiary	15	-	-	195,455	800,000
Tax recoverable		95,507	-	-	-
Fixed deposits placed with licensed banks	16	9,783,682	6,821,151	3,636,096	1,522,662
Cash and bank balances		8,515,165	11,558,087	5,996,893	8,811,038
		21,435,986	20,528,210	9,848,253	11,136,200
TOTAL ASSETS		23,671,692	22,723,841	17,141,264	17,049,408
EQUITY AND LIABILITIES					
Equity					
Share capital	17	16,573,447	16,573,447	16,573,447	16,573,447
Retained earnings		8,232,267	7,073,166	318,434	215,145
Reserves	18	(3,438,284)	(3,334,897)	-	-
Total Equity		21,367,430	20,311,716	16,891,881	16,788,592

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024 (cont'd)

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Non-Current Liability					
Lease liabilities	19	530,736	146,998	-	-
Current Liabilities					
Trade payables	20	20,107	16,309	-	-
Other payables	21	1,289,097	941,454	215,928	245,936
Contract liabilities	22	340,727	927,999	-	-
Lease liabilities	19	90,140	145,639	-	-
Tax payable		33,455	233,726	33,455	14,880
		1,773,526	2,265,127	249,383	260,816
Total Liabilities		2,304,262	2,412,125	249,383	260,816
TOTAL EQUITY AND LIABILITIES		23,671,692	22,723,841	17,141,264	17,049,408

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Attributable to Owners of the Company				
		Non-Distributable			Distributable	
	Note	Share Capital RM	Restructuring Reserve RM	Foreign Currency Translation Reserve RM	Retained Earnings RM	Total Equity RM
Group						
2024						
At beginning of the financial year		16,573,447	(3,409,409)	74,512	7,073,166	20,311,716
Profit net of tax		-	-	-	1,807,101	1,807,101
Other comprehensive income:						
Foreign currency translation differences for foreign operation		-	-	(103,387)	-	(103,387)
Total comprehensive income		-	-	(103,387)	1,807,101	1,703,714
Transaction with Owners of the Company:						
- Dividend, representing total transaction with Owners of the Company	29	-	-	-	(648,000)	(648,000)
At end of the financial year		16,573,447	(3,409,409)	(28,875)	8,232,267	21,367,430

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (cont'd)

		Attributable to Owners of the Company						
		Non-Distributable						
	Note	Share Capital RM	Restructuring Reserve RM	Foreign Currency Translation Reserve RM	Distributable Retained Earnings RM	Total RM	Non-Controlling Interest RM	Total Equity RM
Group (cont'd)								
2023								
At beginning of the financial year		16,573,447	(3,409,409)	9,516	6,224,174	19,397,728	113,440	19,511,168
Profit net of tax		-	-	-	2,833,343	2,833,343	2,766	2,836,109
Other comprehensive income:								
Foreign currency translation differences for foreign operation		-	-	63,939	-	63,939	-	63,939
Total comprehensive income		-	-	63,939	2,833,343	2,897,282	2,766	2,900,048
Transactions with Owners of the Company:								
- Dividends	29	-	-	-	(1,944,000)	(1,944,000)	-	(1,944,000)
- Acquisition of equity interest from non-controlling interest	10	-	-	1,057	(40,351)	(39,294)	(116,206)	(155,500)
Total transactions with Owners of the Company		-	-	1,057	(1,984,351)	(1,983,294)	(116,206)	(2,099,500)
At end of the financial year		16,573,447	(3,409,409)	74,512	7,073,166	20,311,716	-	20,311,716

DYNAFRONT HOLDINGS BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (cont'd)

	Note	Share Capital RM	(Accumulated Losses) /Distributable Retained Earnings RM	Total Equity RM
Company				
At 1 July 2022		16,573,447	(63,509)	16,509,938
Profit net of tax, representing total comprehensive income for the financial year		-	2,222,654	2,222,654
Transaction with Owners of the Company:				
Dividends, representing total transaction with Owners of the Company	29	-	(1,944,000)	(1,944,000)
At 30 June 2023/1 July 2023		16,573,447	215,145	16,788,592
Profit net of tax, representing total comprehensive income for the financial year		-	751,289	751,289
Transaction with Owners of the Company:				
Dividend, representing total transaction with Owners of the Company	29	-	(648,000)	(648,000)
At 30 June 2024		16,573,447	318,434	16,891,881

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Cash Flows from Operating Activities					
Profit before tax		2,628,099	3,702,374	873,447	2,311,492
Adjustments for:					
Amortisation of intangible assets		-	20	-	-
Depreciation of plant and equipment		132,699	117,234	-	-
Depreciation of right-of-use assets		159,097	247,485	-	-
Written off:-					
- Plant and equipment		-	2,356	-	-
- Tax recoverable		85,418	-	-	-
Impairment loss on investments in subsidiaries		-	-	120,197	-
Interest expense		18,789	12,590	-	-
Interest income		(498,101)	(421,039)	(268,956)	(315,633)
Dividend income		-	-	(646,437)	(1,944,482)
Gain on disposal of plant and equipment		(15,000)	(54,201)	-	-
Gain on disposal of right-of-use assets		(130,000)	(51,300)	-	-
Unrealised loss/(gain) on foreign exchange		8,962	(174,463)	-	-
Operating profit before changes in working capital		2,389,963	3,381,056	78,251	51,377
Changes in working capital:					
Trade and other receivables		(885,498)	(834,855)	(184,777)	(2,500)
Trade and other payables		387,392	(531,101)	(30,008)	(50,683)
Contract assets		-	464,741	-	-
Contract liabilities		(578,214)	648,599	-	-
Cash generated from/(used in) operations		1,313,643	3,128,440	(136,534)	(1,806)
Interest paid		(18,789)	(12,590)	-	-
Interest received		487,472	421,039	258,327	315,633
Tax paid		(1,029,865)	(1,232,663)	(103,583)	(96,824)
Net cash from operating activities		752,461	2,304,226	18,210	217,003

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (cont'd)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash Flows from Investing Activities					
Additional investments in subsidiary	10	-	(155,500)	(700,000)	(155,500)
Purchase of plant and equipment		(46,584)	(237,112)	-	-
Advance to a subsidiary		-	-	(17,358)	(800,000)
Repayment from a subsidiary		-	-	-	444,000
Repayment from shareholder		-	148,397	-	-
Dividend received		-	-	646,437	1,944,482
Proceeds from disposal of plant and equipment		15,000	54,201	-	-
Proceeds from disposal of right-of-use assets		130,000	51,300	-	-
Addition of right-of-use assets	8(a)	(90,100)	(17,130)	-	-
Net cash from/(used in) investing activities		8,316	(155,844)	(70,921)	1,432,982
Cash Flows from Financing Activities					
Dividends paid	29	(648,000)	(1,944,000)	(648,000)	(1,944,000)
Payment for the principal portion of lease liabilities	(ii), (iii)	(181,761)	(360,570)	-	-
Net cash used in financing activities		(829,761)	(2,304,570)	(648,000)	(1,944,000)
Net decrease in cash and cash equivalents		(68,984)	(156,188)	(700,711)	(294,015)
Cash and cash equivalents at beginning of the financial year		18,379,238	18,314,698	10,333,700	10,627,715
Effect of exchange rate changes on cash and cash equivalents		(11,407)	220,728	-	-
Cash and cash equivalents at end of the financial year	(i)	18,298,847	18,379,238	9,632,989	10,333,700

DYNAFRONT HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (cont'd)

Note:

(i) Cash and cash equivalents comprise:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Fixed deposits placed with licensed banks	9,783,682	6,821,151	3,636,096	1,522,662
Cash and bank balances	8,515,165	11,558,087	5,996,893	8,811,038
	18,298,847	18,379,238	9,632,989	10,333,700

(ii) Cash outflows for leases as lessee are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Included in net cash from operating activities:				
- Interest paid in relation to lease liabilities	(17,940)	(11,645)	-	-
- Payment relating to short-term lease	(384,475)	(185,117)	(75,600)	-
Included in net cash used in financing activities:				
- Payment for the principal portion of lease liabilities	(181,761)	(360,570)	-	-
Total cash outflows for leases	(584,176)	(557,332)	(75,600)	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (cont'd)

Note: (cont'd)

(iii) The reconciliation of the movement of liabilities to cash flows arising from financing activities:

	Group	
	2024	**2023**
	RM	**RM**
Lease liabilities		
At beginning of the financial year	292,637	502,207
Addition via lease arrangements [Note 8(a)]	510,000	151,000
Interest expense	17,940	11,645
Repayment	(199,701)	(372,215)
Net changes from financing cash flows	(181,761)	(360,570)
At end of the financial year	620,876	292,637

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at C-8-1, 8th Floor, Corporate Office Tower Block C, KL Trillion, 338, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

The Company is principally engaged in investment holding. The principal activities and other information of its subsidiaries are set out in Note 10. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 14 October 2024.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

(i) Accounting pronouncements that are effective and adopted during the financial year

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and of the Company except as described below.

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(i) Accounting pronouncements that are effective and adopted during the financial year (cont'd)

The Group and the Company adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting Policies from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company: -

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
Amendments to MFRS 7 and MFRS 107	Suppliers Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability

Effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards – Volume 11

Effective for financial periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability Disclosures

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and the Company upon their initial applications.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except otherwise disclosed in the accounting policy notes.

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, unless otherwise stated.

(d) Significant accounting estimates and judgements

The material accounting policies described in the financial statements are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

Carrying value of investments in subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investment in subsidiaries.

3. REVENUE

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Rendering of services	(i)	11,162,417	11,470,637	-	-
Sales of goods	(ii)	1,261,240	643,731	-	-
Management fee	(iii)	-	-	2,346,409	2,058,573
Dividend income	(iv)	-	-	646,437	1,944,482
		12,423,657	12,114,368	2,992,846	4,003,055
Timing of revenue recognition:					
- Point in time		7,133,710	6,260,689	2,992,846	4,003,055
- Over time		5,289,947	5,853,679	-	-
		12,423,657	12,114,368	2,992,846	4,003,055

(i) Rendering of services

		Group	
		2024	2023
	Note	RM	RM
Software installation, commissioning, post-contract support and maintenance services ("Proprietary software")	(a)	5,289,947	5,853,679
Application service provider ("Managed services")	(b)	5,190,642	4,752,391
Consultancy services	(c)	681,828	864,567
		11,162,417	11,470,637

(a) Software installation, commissioning, post-contract support and maintenance services ("Proprietary software")

(i) Software installation and commissioning

Software solutions offered by the Group to its customers generally involve two phases which are installation and commissioning respectively. These integrated services include implementation, data migration, software design or development, testing and go-live process.

Such integrated services are explicitly stated in the contract with customers. The billing method by the Group is in the form of milestone billing which represents the work completed with reference to stages which are stipulated in the contract.

(ii) Post-contract support and maintenance services ("PCSM")

The Group offers PCSM which is an after-sales element included in the contract with customers on the software solutions. This represents the right of customers to receive services or unspecified product upgrades/enhancements, or both. Generally, these services include upgrade support and correction of errors (i.e. bug fixes or debugging), as well as unspecified upgrades or enhancements towards software previously installed. The period and duration of PCSM provided is dependent on the terms stipulated in the respective contract.

3. REVENUE (cont'd)

(i) Rendering of services (cont'd)

(a) Software installation, commissioning, post-contract support and maintenance services ("Proprietary software") (cont'd)

Performance obligation ("PO")

The Group entered into separate fixed-price contracts with respective customers and such obligations are distinct and are able to be performed separately and tailored to respective needs of different customers. Based on individual contracts with customers which comprised of two POs, software installation, commissioning and PCSM are capable of being distinct and separately identifiable.

Software installation and commissioning will be considered as a single PO as these two services are integrated and interdependent with the stages agreed in the contract and the customers are unable to use the software if one of the mentioned natures of work is incomplete. The reason of PCSM being distinct is due to software installed remain functional without the needs of PCSM. Accordingly, the Group allocates the transaction price based on relative stand-alone selling price of each PO.

Timing of recognition

For software installation and commissioning, the PO is satisfied over time upon completion of services based on the milestone achievement. The completion of installation and commissioning of software has generally no alternative use for the Group as the software is customised according to the customer's needs and specifications. The Group has an enforceable right to payment for the stages of services performed by reference to the milestone of the contract agreed mutually. Therefore, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that agreed performance obligation mentioned in the contract.

For PCSM, customers simultaneously consumed and received the benefits provided by the Group on the service rendered and revenue is recognised over time. The Group has an enforceable right to payment for the services provided completed over the contract period.

Unsatisfied long-term contracts

The following table shows unsatisfied PO resulting from maintenance services and software installation and commissioning services yet to be recognised as revenue as at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

(i) Maintenance services

	Group	
	2024	**2023**
	RM	**RM**
Total contract revenue	7,204,982	4,994,221
Less: Cumulative revenue recognised	(6,864,255)	(4,589,958)
Aggregate amount of revenue that are partially or fully unsatisfied as at reporting date	340,727	404,263

3. REVENUE (cont'd)

(i) Rendering of services (cont'd)

(a) Software installation, commissioning, post-contract support and maintenance services ("Proprietary software") (cont'd)

Unsatisfied long-term contracts (cont'd)

(ii) Software installation and commissioning services

	Group	
	2024	**2023**
	RM	**RM**
Total contract revenue	4,602,628	4,655,523
Less: Cumulative revenue recognised	(4,602,628)	(4,176,161)
Aggregate amount of revenue that are partially or fully unsatisfied as at reporting date	-	479,362

The remaining unsatisfied performance obligations are expected to be recognised as revenue within the next 12 to 24 months (2023: 12 to 24 months).

The contract liabilities related to contracts with customers are disclosed in Note 22.

(b) Application service provider ("Managed services")

The Group is engaged in providing management services to its customers' sales via an online portal. Revenue is recognised based on a pre-determined percentage of total sales generated by its customers for a particular month or fixed monthly subscription basis.

PO

The PO is satisfied upon rendering of services and billed on a monthly basis.

Timing of recognition/Unsatisfied PO

Revenue is recognised at point in time upon completion of services rendered. There is no unsatisfied PO yet to be recognised as revenue as at the reporting date.

(c) Consultancy services

The Group entered into contract with customers to carry out consultancy services. Revenue from consultancy services is recognised at point in time basis.

PO

The PO is satisfied upon rendering of services.

Timing of recognition/Unsatisfied PO

Revenue is recognised at point in time upon completion of services rendered. There is no unsatisfied PO yet to be recognised as revenue as at the reporting date.

3. **REVENUE** (cont'd)

(ii) Sales of goods

PO

The contracts with customers are bundled and consist of obligations for the sale of computer products (i.e. hardware, software and software license) and delivery of the said goods to its customers in some instances. Contracts for bundled services are comprised of multiple POs and are capable of being distinct and separately identifiable. However, the management has assessed that the delivery obligation is primarily a value-added fulfilment service and is not considered to be a significant distinct PO. Accordingly, the contract with customers is considered as a single PO and is satisfied at point in time basis.

Timing of recognition/Unsatisfied PO

Revenue is recognised at point in time when the control over the goods have been transferred to the customer and obtain customer acceptance of the said goods. Revenue is recognised based on the price specified in the invoices, net of discounts, rebates and incentives where applicable. There is no unsatisfied PO yet to be recognised as revenue as at the reporting date.

(iii) Management fee

The performance obligation is satisfied at point in time upon completion of services rendered and billed on a monthly basis.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

Material accounting policy information

Revenue from contract with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

3. REVENUE (cont'd)

Material accounting policy information (cont'd)

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- The customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- The Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- The Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

4. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
- statutory audit	60,000	60,000	30,000	30,000
- other services	12,000	12,000	-	-
Amortisation of intangible assets	-	20	-	-
Services rendered by Auditors' affiliate				
- tax agent fee	17,000	16,800	6,000	6,000
- underprovision in prior year	-	4,000	-	4,000
Depreciation of plant and equipment	132,699	117,234	-	-
Depreciation of right-of-use assets	159,097	247,485	-	-
Employee benefits expense (Note a)	6,854,107	6,239,159	2,013,171	1,906,883
Gain on disposal of plant and equipment	(15,000)	(54,201)	-	-
Gain on disposal of right-of-use assets	(130,000)	(51,300)	-	-

4. PROFIT BEFORE TAX (cont'd)

Profit before tax is arrived at after charging/(crediting):- (cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on:				
- Lease liabilities	17,940	11,645	-	-
- Bank interest	849	945	-	-
Interest income	(498,101)	(421,039)	(268,956)	(315,633)
Written off:-				
- Plant and equipment	-	2,356	-	-
- Tax recoverable	85,418	-	-	-
Impairment loss on investments in subsidiaries	-	-	120,197	-
Unrealised loss/(gain) on foreign exchange	8,962	(174,463)	-	-
Realised (gain)/loss on foreign exchange	(69,718)	(61,867)	-	5,502
Right-of-use assets:				
- Short-term lease	384,475	185,117	75,600	-

(a) The employee benefits expense comprises:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Staff costs:				
Salaries, allowances, bonus and overtime	5,116,914	4,567,431	887,746	802,750
Contributions to defined contribution plan	605,383	549,084	111,875	105,114
Social security contributions	58,407	53,801	6,733	6,280
	5,780,704	5,170,316	1,006,354	914,144

4. PROFIT BEFORE TAX (cont'd)

(a) The employee benefits expense comprises: (cont'd)

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Directors' remuneration:				
Directors of the Company:				
Non-Executive Directors:				
Fees	12,000	18,750	12,000	18,750
Executive Directors:				
Salaries, bonus and other emoluments	863,500	845,000	863,500	845,000
Contributions to defined contribution plan	129,000	126,750	129,000	126,750
Social security contributions	2,317	2,239	2,317	2,239
	1,006,817	992,739	1,006,817	992,739
Director of the subsidiary:				
Salaries and other emoluments	66,586	76,104	-	-
	1,073,403	1,068,843	1,006,817	992,739
	6,854,107	6,239,159	2,013,171	1,906,883

Material accounting policy information

Short-term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

5. TAX EXPENSE

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
Income tax:				
- Current year	612,395	971,757	103,580	82,380
- Underprovision in prior year	149,901	108,508	18,578	6,458
	762,296	1,080,265	122,158	88,838
Deferred tax (Note 12):				
- Relating to origination/ (reversal) of temporary differences	52,694	(101,000)	-	-
- Over/(under)provision in prior year	6,008	(113,000)	-	-
	58,702	(214,000)	-	-
Tax expense for the financial year	820,998	866,265	122,158	88,838

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdiction.

5. TAX EXPENSE (cont'd)

The reconciliation of the tax amount at statutory income tax rate to the Group's and the Company's tax expense is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	2,628,099	3,702,374	873,447	2,311,492
Tax at the Malaysian statutory income tax rate of 24% (2023: 24%)	630,744	888,570	209,627	554,758
Effect of Indonesia prevailing tax rate of 22% (2023: 22%)	(2,848)	(4,012)	-	-
Effect of Indonesia income tax subject to small enterprises deduction	(50,528)	-	-	-
Expenses not deductible for tax purposes	122,786	64,409	55,218	20,651
Income not subject to tax	(28,945)	(62,148)	(155,145)	(476,967)
Utilisation of deferred tax assets previously not recognised	(6,120)	(16,062)	(6,120)	(16,062)
Underprovision of income tax in prior year	149,901	108,508	18,578	6,458
Over/(under)provision of deferred tax in prior year	6,008	(113,000)	-	-
Tax expense for the financial year	820,998	866,265	122,158	88,838

Material accounting policy information

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

5. TAX EXPENSE (cont'd)

Material accounting policy information (cont'd)

Deferred tax (cont'd)

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

6. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share for the financial year is calculated by dividing profit after tax attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	**2023**
Basic earnings per ordinary share:		
Profit after tax attributable to Owners of the Company (RM)	1,807,101	2,833,343
Weighted average number of ordinary shares:		
Number of ordinary shares at beginning/end of the financial year, representing weighted average number of ordinary shares in issue (unit) at end of the financial year	108,000,000	108,000,000
Basic earnings per ordinary share (sen)	1.67	2.62

Diluted earnings per share is not presented as there is no dilutive potential ordinary shares outstanding during the financial year.

7. PLANT AND EQUIPMENT

	Computers and software RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Signboard RM	Total RM
Group							
2024							
Cost							
At beginning of the financial year	2,189,727	387,816	180,230	58,751	504,902	1,600	3,323,026
Additions	42,259	1,130	-	3,195	-	-	46,584
Written off	(110,035)	-	-	(229)	-	-	(110,264)
Disposal	(963,300)	-	-	-	-	-	(963,300)
Exchange differences	-	-	-	(1,755)	(12,994)	-	(14,749)
At end of the financial year	1,158,651	388,946	180,230	59,962	491,908	1,600	2,281,297
Accumulated Depreciation							
At beginning of the financial year	2,145,734	238,020	180,230	38,052	220,243	1,174	2,823,453
Charge for the financial year	36,534	36,415	-	5,481	54,109	160	132,699
Written off	(110,035)	-	-	(229)	-	-	(110,264)
Disposal	(963,300)	-	-	-	-	-	(963,300)
Exchange differences	-	-	-	(1,391)	(7,075)	-	(8,466)
At end of the financial year	1,108,933	274,435	180,230	41,913	267,277	1,334	1,874,122
Net Carrying Amount							
At end of the financial year	49,718	114,511	-	18,049	224,631	266	407,175

7. PLANT AND EQUIPMENT (cont'd)

	Computers and software RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Signboard RM	Total RM
Group (cont'd)							
2023							
Cost							
At beginning of the financial year	2,227,588	327,704	643,602	53,557	361,938	1,600	3,615,989
Additions	35,497	62,670	-	4,455	134,490	-	237,112
Transfer from right-of-use assets *	-	-	180,230	-	-	-	180,230
Written off	-	(2,558)	-	(320)	-	-	(2,878)
Disposal	(73,358)	-	(643,602)	-	-	-	(716,960)
Exchange differences	-	-	-	1,059	8,474	-	9,533
At end of the financial year	2,189,727	387,816	180,230	58,751	504,902	1,600	3,323,026
Accumulated Depreciation							
At beginning of the financial year	2,181,431	207,450	643,602	30,461	174,688	1,013	3,238,645
Charge for the financial year	37,661	30,868	-	6,993	41,551	161	117,234
Transfer from right-of-use assets *	-	-	180,230	-	-	-	180,230
Written off	-	(298)	-	(224)	-	-	(522)
Disposal	(73,358)	-	(643,602)	-	-	-	(716,960)
Exchange differences	-	-	-	822	4,004	-	4,826
At end of the financial year	2,145,734	238,020	180,230	38,052	220,243	1,174	2,823,453
Net Carrying Amount							
At end of the financial year	43,993	149,796	-	20,699	284,659	426	499,573

* *Transfer from right-of-use assets arising from full settlement of lease liabilities.*

7. PLANT AND EQUIPMENT (cont'd)

Material accounting policy information

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in the profit or loss as incurred.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of plant and equipment at the following annual rates:

Computers and software	40%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10% - 25%
Renovation	10%
Signboard	10%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

8. RIGHT-OF-USE ASSETS

	Lease of premises RM	Leasehold office units RM	Motor vehicles RM	Total RM
Group				
2024				
Cost				
At beginning of the financial year	-	1,357,091	1,215,299	2,572,390
Additions	-	-	600,100	600,100
Disposal	-	-	(424,528)	(424,528)
Exchange differences	-	(100,364)	-	(100,364)
At end of the financial year	-	1,256,727	1,390,871	2,647,598
Accumulated Depreciation				
At beginning of the financial year	-	299,691	1,049,971	1,349,662
Charge for the financial year	-	65,461	93,636	159,097
Disposal	-	-	(424,528)	(424,528)
Exchange differences	-	(24,789)	-	(24,789)
At end of the financial year	-	340,363	719,079	1,059,442
Net Carrying Amount				
At end of the financial year	-	916,364	671,792	1,588,156
2023				
Cost				
At beginning of the financial year	719,711	1,291,636	1,411,403	3,422,750
Additions	-	-	168,130	168,130
Transfer to plant and equipment *	-	-	(180,230)	(180,230)
Disposal	-	-	(184,004)	(184,004)
Expiry of lease premises	(719,711)	-	-	(719,711)
Exchange differences	-	65,455	-	65,455
At end of the financial year	-	1,357,091	1,215,299	2,572,390
Accumulated Depreciation				
At beginning of the financial year	539,783	220,654	1,411,403	2,171,840
Charge for the financial year	179,928	64,755	2,802	247,485
Transfer to plant and equipment *	-	-	(180,230)	(180,230)
Disposal	-	-	(184,004)	(184,004)
Expiry of lease premises	(719,711)	-	-	(719,711)
Exchange differences	-	14,282	-	14,282
At end of the financial year	-	299,691	1,049,971	1,349,662
Net Carrying Amount				
At end of the financial year	-	1,057,400	165,328	1,222,728

* *Transfer to plant and equipment due to full settlement of lease liabilities.*

8. RIGHT-OF-USE ASSETS (cont'd)

(a) Addition of right-of-use assets:-

	Group 2024 RM	Group 2023 RM
Cash payment	90,100	17,130
Financed through hire purchase arrangements	510,000	151,000
Total addition of right-of-use assets	600,100	168,130

(b) The expenses charged to the profit or loss during the financial year are as follows:

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Depreciation of right-of-use assets	159,097	247,485	-	-
Interest expense on lease liabilities	17,940	11,645	-	-
Payments relating to:-				
- Short-term lease	384,475	185,117	75,600	-

Material accounting policy information

As a leasee

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the ROU assets are as follows:

Lease of premises	lease period of 1.5 to 2 years
Leasehold office units	20 years
Motor vehicles	5 years

If ROU asset relates to a class of plant and equipment to which the lessee applies the revaluation model in MFRS 116, a lessee may elect to apply that revaluation model to all of the ROU assets that relate to that class of plant and equipment.

The ROU assets and lease liabilities are presented as a separate line in the statement of financial position.

In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Company applies MFRS 136 to determine whether a ROU asset is impaired and accounts for any identified impairment loss.

8. RIGHT-OF-USE ASSETS (cont'd)

Material accounting policy information (cont'd)

As a leasee (cont'd)

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets are those assets valued at less than RM20,000 each when purchased new.

9. INTANGIBLE ASSETS

	Group 2023 RM
Trademark	
Cost	
At beginning of the financial year	1,200
Written off	(1,200)
At end of the financial year	-
Accumulated Amortisation	
At beginning of the financial year	1,180
Charge for the financial year	20
Written off	(1,200)
At end of the financial year	-
Net Carrying Amount	
At end of the financial year	-

10. INVESTMENTS IN SUBSIDIARIES

	Company 2024 RM	Company 2023 RM
Unquoted shares, at cost		
At beginning of the financial year	5,913,208	5,757,708
Additions	1,500,000	155,500
Less: Accumulated impairment		
At beginning of the financial year	-	-
Additions	(120,197)	-
At end of the financial year	(120,197)	-
At end of the financial year	7,293,011	5,913,208

The details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2024	Effective Equity Interest 2023
DynaFront Systems Sdn. Bhd. ("DSB")	Malaysia	Life insurance applications, including development and deployment of comprehensive insurance software solutions ranging from front-end sales to back-end administrative systems	100%	100%
PT DynaFront Systems Indonesia ("PTDSI")*	Indonesia	Life insurance applications, including development and deployment of comprehensive insurance software solutions ranging from front-end sales to back-end administrative systems	100%	100%

* *Not audited by Moore Stephens Associates PLT and reviewed for consolidation purposes*

Acquisition of non-controlling interest by the Company

2024

On 14 December 2023, the Company had an additional investment of 1,500,000 ordinary shares in DSB of RM1 each by a combination of RM700,000 cash and RM800,000 capitalisation of amount due from DSB.

2023

On 31 March 2023, the Company acquired of 146,000 ordinary shares in PTDSI, representing 10% equity interest in PTDSI for a purchase consideration of RM155,500 which was satisfied via cash payments.

With the completion of the acquisition, PTDSI became 100% owned subsidiary of the Company.

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

Acquisition of non-controlling interest by the Company (cont'd)

2023 (cont'd)

Effect of the increase in the Company's equity interest in PTDSI was as follows:

	Group 2023 RM
Fair value of consideration transferred	155,500
Increase in share of net assets	(116,206)
Changes in equity	39,294

Non-controlling interest in subsidiary

The subsidiary of the Group that had non-controlling interest ("NCI") was as follows:

	Group 2023 RM
PTDSI	
NCI percentage of ownership and voting interest	-
Carrying amount of NCI (RM)	-
Profit allocated to NCI (RM)	2,766
Other comprehensive income allocated to NCI	-
Total comprehensive income allocated to NCI	2,766

Impairment review

In prior year, the Company carried out a review of the recoverable amounts of its investments in subsidiaries of which net assets of a subsidiary was lower than the Company's cost of investment. The recoverable amount of the subsidiary was determined based on fair value less cost of disposal ("FVLCOD") calculation using cash flows projection from financial budgets approved by Board of Directors covering 5 years period.

In determining the FVLCOD calculations, the key assumptions used were as follows:-

PTDSI

- Post-tax discount rate of 17.7%;
- Project milestone for proprietary software revenue would be completed within stipulated timeframe;
- Auto renewal for post maintenance services of proprietary software revenue; and
- Zero growth rate to compute terminal value.

Management believed that any reasonably possible change in the key assumptions on which the subsidiary's recoverable amount was based on would not cause the carrying amount to exceed its recoverable amount. Actual outcomes could vary from these estimates.

During the financial year, the Company had impaired its investment in PTDSI by RM120,197 and recognised as "other expenses". The recoverable amount of the subsidiary was determined based on FVLCOD. In determining the FVLCOD, the net assets of the subsidiary was used.

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

Material accounting policy information

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Company also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity instruments, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisition of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group's reserves.

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

Material accounting policy information (cont'd)

(a) Basis of consolidation (cont'd)

(iv) Acquisition from entities under common control

The business combinations under common control are accounted for in accordance with merger accounting. In applying merger accounting, the financial statements incorporate the financial statement items of the combining entities or business in which the common control combination occurs as if they had been combined from the date when the combining entities or business first came under the control of the controlling party, and that control is not transitory.

The net assets of the combining entities or businesses are accounted for based on the carrying values from the controlling parties' perspective at the date of transfer. No amount is recognised in respect of goodwill or excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination. The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a restructuring reserve.

(v) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly, to Owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position, separately from equity attributable to Owners of the Company. Non-controlling interest is initially measured at acquisition-date share of net assets other than goodwill as of the acquisition date and is subsequently adjusted for the changes in the net assets of the subsidiary after the acquisition date.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

Material accounting policy information (cont'd)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in the profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss in respect of goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in the profit or loss.

11. TAX RECOVERABLE

Under the taxation laws of Indonesia, PTDSI submits tax return on the basis of self-assessment. The Directorate General of Taxation may assess or amend taxes within five (5) years of the time the tax becomes due.

The Directors are in view that the prepaid tax is not expected to be refunded within the next twelve (12) months.

12. DEFERRED TAX ASSETS

	Group 2024 RM	Group 2023 RM
At beginning of the financial year	(266,000)	(52,000)
Recognised in profit or loss (Note 5)	58,702	(214,000)
At end of the financial year	(207,298)	(266,000)

Presented after appropriate offsetting as follows:

	Group 2024 RM	Group 2023 RM
Deferred tax assets	(224,667)	(266,000)
Deferred tax liability	17,369	-
	(207,298)	(266,000)

The recognised deferred tax assets arising from temporary differences before offsetting are as follows:

	Group 2024 RM	Group 2023 RM
Deferred tax assets:		
- Advance payment from customers	(58,210)	(189,000)
- Differences between the carrying amount of plant and equipment, right-of-use assets and their tax bases	-	(5,000)
- Other deductible temporary differences	(166,457)	(72,000)
	(224,667)	(266,000)
Deferred tax liability:		
- Differences between the carrying amount of plant and equipment, right-of-use assets and their tax base	17,369	-
	(207,298)	(266,000)

The Group and the Company have estimated other deductible temporary differences of RM119,000 (2023: RM145,000) for which no deferred tax assets have been recognised in the financial statements.

13. TRADE RECEIVABLES

The normal credit term of trade receivables of the Group is 30 days (2023: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

14. OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Other receivables	25,440	-	-	-
Deposits	135,345	145,543	-	-
Prepayments	42,558	26,493	19,809	2,500
	203,343	172,036	19,809	2,500

15. AMOUNT DUE FROM A SUBSIDIARY

This amount is unsecured, non-trade in nature, interest-free advance which is collectible on demand.

16. FIXED DEPOSITS PLACED WITH LICENSED BANKS

The interest/profit rates (per annum) of the fixed deposits at the end of the financial year are as follows:

	2024	2023
Group		
Fixed deposits with licensed banks	2.50% - 5.48%	1.60% - 4.90%
Company		
Fixed deposits with licensed banks	3.30% - 3.40%	3.10% - 3.35%

As at 31 December 2023, the fixed deposits of the Group and of the Company have maturity periods between 1 and 12 months (2023: 1 and 12 months) and 1 and 3 months (2023: 1 and 3 months) respectively.

17. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2024	2023	2024	2023
	Unit	Unit	RM	RM
Ordinary shares				
Issued and fully paid:				
At beginning/end of the financial year	108,000,000	108,000,000	16,573,447	16,573,447

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual interests.

18. RESERVES

	Note	Group 2024 RM	Group 2023 RM
Foreign currency translation reserve	(i)	(28,875)	74,512
Restructuring reserve	(ii)	(3,409,409)	(3,409,409)
		(3,438,284)	(3,334,897)

(i) Foreign Currency Translation Reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operation, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(ii) Restructuring Reserve

In the event where a new company is formed to facilitate a restructuring exercise, in which the new company itself is not a business, book value accounting is applied. The assets and liabilities acquired are recognised in the consolidated financial statements at their respective carrying amounts as if the restructuring had occurred before the start of the earliest period presented. The other components of equity of the acquired entities are added to the same components within the Group's equity.

The restructuring reserve comprises the difference between cost of investment recorded by the Company and the share capital of DSB and PTDSI arising from the restructuring exercise.

19. LEASE LIABILITIES

	Group 2024 RM	Group 2023 RM
Motor vehicles		
Future minimum lease payments:		
Payable within one year	112,976	155,320
Payable more than 1 year but not more than 2 years	107,964	39,771
Payable more than 2 years but not more than 5 years	323,892	75,168
More than 5 years	156,219	50,031
	701,051	320,290
Less: Unexpired finance charges	(80,175)	(27,653)
Present value of future minimum lease payments	620,876	292,637

19. LEASE LIABILITIES (cont'd)

	Group 2024 RM	Group 2023 RM
Motor vehicles (cont'd)		
Present value of future minimum lease payments:		
Payable within one year	90,140	145,639
Payable more than 1 year but not more than 2 years	88,972	34,262
Payable more than 2 years but not more than 5 years	289,820	64,749
More than 5 years	151,944	47,987
	620,876	292,637
Analysed as:		
Current	90,140	145,639
Non-current	530,736	146,998
	620,876	292,637

The range of interest rates per annum at the reporting date for the lease liabilities are as follows:

	Group 2024 %	Group 2023 %
Motor vehicles	1.97 - 2.60	2.30 - 2.60

The material accounting policy information are as disclosed in Note 8.

20. TRADE PAYABLES

The normal credit term granted by the trade payables to the Group is 30 days (2023: 30 days).

21. OTHER PAYABLES

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Other payables	287,191	181,408	3,935	-
Accruals	1,001,906	760,046	211,993	245,936
	1,289,097	941,454	215,928	245,936

22. CONTRACT LIABILITIES

	Group	
	2024	2023
	RM	RM
Contract liabilities:		
- Advance payment from customers	340,727	927,999

Contract liabilities primarily relate to advance payment from customers before a related performance obligation is satisfied by the Group and are expected to be recognised in revenue in the subsequent financial year.

(i) Service contracts

	Group	
	2024	2023
	RM	RM
At beginning of the financial year	927,999	272,813
Revenue recognised during the financial year	(2,274,297)	(2,574,673)
Progress billings during the financial year	1,687,025	3,229,859
At end of the financial year	340,727	927,999

23. RELATED PARTIES DISCLOSURES

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with the ultimate holding company, subsidiaries, related parties and key management personnel. Related parties refer to companies in which certain Directors have substantial financial interests and/or are also Directors of the companies.

23. RELATED PARTIES DISCLOSURES (cont'd)

(b) Related party transactions

The related party balance is shown in Note 15. The related party transactions of the Group and of the Company are shown below.

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Transactions with subsidiaries:				
DynaFront Systems Sdn Bhd				
Trade				
- Repayment from	-	-	2,817,749	4,003,055
- Management services	-	-	(2,346,409)	(2,058,573)
- Dividend income	-	-	(646,437)	(1,944,482)
Non-trade				
- Advance to	-	-	(92,958)	(800,000)
- Allotment of shares	-	-	1,500,000	-
- Rental	-	-	75,600	-
PT DynaFront Systems Indonesia				
- Repayment from	-	-	-	444,000
Transactions with related parties:				
Glossy Valley Sdn. Bhd.				
- Management fee	14,240	28,480	-	-
- Repayment to, net	(398,715)	(398,712)	-	-
- Rental of premise, net of rental waiver	384,475	370,236	-	-

(c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise all the Directors of the Company and its subsidiaries as well as certain senior management personnel of the Group.

23. RELATED PARTIES DISCLOSURES (cont'd)

(c) Compensation of key management personnel (cont'd)

The remuneration paid by the Group and the Company to key management personnel during the financial year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors' remuneration:				
Fees	12,000	18,750	12,000	18,750
Salaries, bonus and other emoluments	930,086	921,104	863,500	845,000
Contributions to defined contribution plan	129,000	126,750	129,000	126,750
Social security contributions	2,317	2,239	2,317	2,239
	1,073,403	1,068,843	1,006,817	992,739
Key management personnel:				
Salaries, allowances and bonus	712,357	698,398	595,617	543,650
Contributions to defined contribution plan	83,737	88,884	79,205	78,404
Social security contributions	2,643	2,817	2,086	2,010
	798,737	790,099	676,908	624,064
Total remuneration	1,872,140	1,858,942	1,683,725	1,616,803

24. SEGMENTAL INFORMATION

Reporting format

The Group does not have reportable segments, as the services are managed indistinctly because they require the similar technology and marketing strategies. Hence, segment analysis has not been prepared as the Group's business is focused only in the business of providing life insurance applications, including development and deployment of comprehensive insurance software solutions ranging from front-end sales to back-end administrative systems.

Segment assets

Segment assets are measured based on the geographical location of the assets, excluding deferred tax assets and tax assets.

Segment liabilities

Segment liabilities are measured based on the geographical location of the liabilities, excluding deferred tax liabilities and tax liabilities.

24. SEGMENTAL INFORMATION (cont'd)

Geographical segments

The internal management reports consist of performance based on geographical locations of the customers as follows:

	Group 2024 RM	Group 2023 RM
Revenue		
Malaysia	5,187,147	5,160,146
Hong Kong	103,500	120,500
Indonesia	6,466,549	6,194,308
Philippines	216,890	111,573
Thailand	449,571	527,841
	12,423,657	12,114,368

The geographical information of the Group's assets and liabilities are presented as follows:

	Note	Indonesia RM	Malaysia RM	Elimination RM	Total RM
2024					
Segment assets	A	1,433,621	29,390,655	(7,488,466)	23,335,810
Segment liabilities	B	149,960	2,316,302	(195,455)	2,270,807
Other information:					
Addition to non-current assets:					
- Plant and equipment		3,195	43,389	-	46,584
- Right-of-use assets		-	600,100	-	600,100
2023					
Segment assets	A	2,224,153	27,600,587	(7,574,229)	22,250,511
Segment liabilities	B	1,103,330	2,736,090	(1,661,021)	2,178,399
Other information:					
Addition to non-current assets:					
- Plant and equipment		855	236,257	-	237,112
- Right-of-use assets		-	168,130	-	168,130

24. SEGMENTAL INFORMATION (cont'd)

Geographical segments (cont'd)

A The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Group 2024 RM	Group 2023 RM
Investments in subsidiaries	(7,293,011)	(5,913,208)
Inter-segment assets	(195,455)	(1,661,021)
	(7,488,466)	(7,574,229)

Reconciliation of assets:

	Group 2024 RM	Group 2023 RM
Segment operating assets	23,335,810	22,250,511
Deferred tax assets	207,298	266,000
Tax recoverable	128,584	207,330
Total assets	23,671,692	22,723,841

B The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Group 2024 RM	Group 2023 RM
Inter-segment liabilities	(195,455)	(1,661,021)

Reconciliation of liabilities:

	Group 2024 RM	Group 2023 RM
Segment operating liabilities	2,270,807	2,178,399
Tax payable	33,455	233,726
Total liabilities	2,304,262	2,412,125

Major customer information

The Group has 3 customers (2023: 3 customers) which contribute approximately RM7.90 million or 64% (2023: RM6.50 million or 54%) of the Group's total revenue for the financial years ended 30 June 2024 and 30 June 2023 respectively.

25. CONTRACTUAL COMMITMENTS

	Group 2024 RM
Research and development expenses	16,200

26. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets (excluding prepayments) and financial liabilities are all categorised at amortised costs.

Financial Risk Management Objectives and Policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing their financial risks, including credit risk, interest rate risk, liquidity risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from its receivables (which consist of trade and other receivables). There are no significant changes as compared to prior years.

<u>Trade receivables</u>

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's association to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk from receivables is represented by the carrying amounts in the statements of financial position as at end of the reporting period.

26. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Concentration of credit risk

The Group determines concentration of credit risk by monitoring the profiles of its receivables on an ongoing basis.

As at the reporting date, the Group has significant concentration of credit risk arising from the amounts due from 3 customers (2023: 3 customers) constituting 83% (2023: 78%) of net trade receivables of the Group.

Recognition and measurement of impairment loss

The Group applies the MFRS 9 simplified approach to measuring Expected Credit Losses ("ECL") which uses a lifetime expected loss allowance for trade receivables.

The Group assesses impairment of trade receivables on individual basis. This is due to the number of debtors is minimal and these debtors can be individually managed by the Group in an effective and efficient manner. The Group has reasonable and supportable information available to assess the impairment individually.

Consistent with debt recovery process, invoices which are past due between 60 and 150 days after the lapse of credit term granted by the Group will be considered as credit impaired, unless approved on a case-by-case basis.

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the Directors and where necessary, the Group will also commence legal proceeding against the customers.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at the reporting date:

	Group	
	2024	**2023**
	RM	**RM**
Trade receivables		
Not past due	1,434,620	837,796
Past due:		
- Less than 30 days	527,301	693,853
- 31 to 60 days	432,112	299,039
- 61 to 90 days	161,086	-
- 91 to 150 days	283,170	146,248
	1,403,669	1,139,140
	2,838,289	1,976,936

26. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group. None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has not provided allowance for expected losses on these trade debtors as there have been no significant changes in their credit qualities and the amounts are still considered recoverable. These trade debtors relate mostly to customers with slower repayment patterns, for whom there is no history of default and outstanding balances usually settled within the 60 to 150 days past due after lapsed of credit term granted. The Group does not hold any collateral or other credit enhancement over these balances.

Other receivables

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statements of financial position.

Credit risk on deposits is mainly arising from deposits paid to its landlord as security and utilities deposit which will be received upon termination of such services and thus have low credit risk.

As at the reporting date, no allowance for doubtful debts is necessary in respect of other receivables and deposits that are neither past due nor impaired as these are mainly arising from debtors that have good records of payment in the past.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing liabilities.

In respect of interest-bearing financial liabilities, the following table indicates its effective interest rates at the reporting date and the period, in which they reprice or mature, whichever is earlier.

26. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(ii) Interest rate risk (cont'd)

Exposure in interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting date was:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Fixed rate instruments:				
Financial asset				
Fixed deposits placed with licensed banks	9,783,682	6,821,151	3,636,096	1,522,662
Financial liability				
Lease liabilities	(620,876)	(292,637)	-	-

Sensitivity analysis on the floating instrument is not presented as the Group did not have any floating rate instruments as at 30 June 2024 and 30 June 2023. A change in interest rates would not have any impact to the profit after tax and equity of the Group and the Company.

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of financial assets and liabilities. The Group and the Company maintain sufficient levels of cash at a reasonable level to meet their working capital requirements.

26. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(iii) Liquidity risk (cont'd)

The following table sets out the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

			Contractual Cash Flows			
	Carrying Amount RM	Contractual cash flows RM	On demand/ Within 1 year RM	Between 1 and 2 years RM	Between 2 and 5 years RM	More than 5 years RM
Group						
Financial liabilities:						
2024						
Trade payables	20,107	20,107	20,107	-	-	-
Other payables	1,289,097	1,289,097	1,289,097	-	-	-
Lease liabilities	620,876	701,051	112,976	107,964	323,892	156,219
	1,930,080	2,010,255	1,422,180	107,964	323,892	156,219
2023						
Trade payables	16,309	16,309	16,309	-	-	-
Other payables	941,454	941,454	941,454	-	-	-
Lease liabilities	292,637	320,290	155,320	39,771	75,168	50,031
	1,250,400	1,278,053	1,113,083	39,771	75,168	50,031
Company						
Financial liabilities:						
2024						
Other payables	215,928	215,928	215,928	-	-	-
2023						
Other payables	245,936	245,936	245,936	-	-	-

26. FINANCIAL INSTRUMENTS (cont'd)

Financial risks management objectives and policies (cont'd)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transaction and balances that are denominated in currencies other than the functional currency of the Group. The currencies giving rise to this risk are primarily Indonesia Rupiah ("IDR") and United States Dollar ("USD").

Foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level.

Exposure to foreign currency risk

The Group's significant exposure to foreign currency (a currency which is other than functional currency of the Group) risk, based on carrying amounts as at end of the reporting period was:

	Group	
	2024	**2023**
	RM	**RM**
IDR		
- Trade receivables	651,474	888,536
USD		
- Trade receivables	778,010	806,112
- Cash and bank balances	5,062,934	3,958,756
	5,840,944	4,764,868

Foreign currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's results after tax and equity to a reasonably possible change in these foreign currencies exchange rates against RM, with all other variables held constant:

	Group Increase/(Decrease) in results after tax/ equity	
	2024	**2023**
	RM	**RM**
IDR/RM		
- Strengthened by 5%	24,756	33,764
- Weakened by 5%	(24,756)	(33,764)
USD/RM		
- Strengthened by 5%	221,956	181,065
- Weakened by 5%	(221,956)	(181,065)

27. FAIR VALUES INFORMATION

Financial instrument at fair value

As the financial assets and liabilities of the Group and Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

Financial instruments other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of short-term receivables and payables, cash and cash equivalents approximate their fair values due to the relatively short-term nature of these financial instruments and the insignificant impact of discounting.

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 30 June 2024 and 30 June 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt includes lease liabilities less cash and cash equivalents whilst total capital is the equity attributable to the Owners of the Company. As the Group and the Company have no external borrowings except lease liabilities relating to lease of motor vehicles, the debt-to-equity ratio is not presented as it does not provide a meaningful indicator of the risk of borrowings.

There were no changes in the Group's approach to capital management during the financial year.

The Group and the Company are not subject to any externally imposed capital requirements.

29. DIVIDENDS

	Per ordinary share RM	Total amount RM	Date of payment
Recognised during the financial year ended 30 June 2024			
Interim single-tier dividend in respect of financial year ended 30 June 2024	0.006	648,000	9 September 2023
Recognised during the financial year ended 30 June 2023			
First interim single-tier dividend in respect of financial year ended 30 June 2023	0.012	1,296,000	9 September 2022
Second interim single-tier dividend in respect of financial year ended 30 June 2023	0.006	648,000	30 March 2023
		1,944,000	

On 20 August 2024, the Directors declared and approved an interim single-tier dividend of RM0.007 per ordinary share for the financial year ended 30 June 2024 amounted to RM756,000, which was paid by the Company on 9 September 2024.