

IDIMENSION CONSOLIDATED BHD (*Company No. 925990-A*)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTES TO THE QUARTERLY REPORT – 31 DECEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance for the Current Quarter and Financial Year-to-date

Performance of the respective operating business segment for the current quarter and financial year-to-date is analysed as follows:-

1) Software Solutions

Revenue of the software solutions segment in the current quarter increased by RM0.37 million to RM1.28 million as compared to preceding corresponding quarter of RM0.91 million, mainly due to higher demand for software solution. The business segment reported a profit of RM0.08 million for the current quarter comparing to a loss of RM1.16 million for the preceding corresponding quarter, mainly due to demand for customised software solutions from new customers to the Group.

Revenue of the software solution segment in the current financial year-to-date decreased by RM0.19 million to RM6.10 million as compared to preceding financial year-to-date of RM6.29 million, mainly due to drop in sales. This business segment reported a loss of RM0.06 million for the current financial year-to-date as compared to a loss of RM1.71 million in the preceding financial year-to-date, mainly due to better margin for software solution.

2) Software Systems and Maintenance

Revenue of the software systems and maintenance segment in the current quarter decreased by RM0.25 million to RM0.30 million as compared to preceding corresponding quarter of RM0.55 million. The decrease was mainly due to lower sales for the current quarter. The business segment reported a profit of RM0.05 million for the current quarter as compared to a loss of RM0.49 million in the preceding corresponding quarter. This was mainly due to better margin in proprietary and customized software systems and maintenance.

Revenue of the software system and maintenance segment in the current financial year-to-date increased by RM0.47 million to RM3.02 million as compared to preceding financial year-to-date of RM2.55 million, mainly due to additional system enhancement provided to customers. This business segment reported a loss of RM0.03 million for the current financial year-to-date as compared to a loss of RM0.69 million in the preceding financial year-to-date, quarter mainly due to increase costs in proprietary and customised software systems maintenance provided to customers.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B1. Review of Performance for the Current Quarter and Financial Year-to-date (Cont'd)

3) Other IT Products and Services

Revenue of other IT products and services in the current quarter increased by RM0.1 million to RM0.15 million as compared to preceding corresponding quarter of RM0.05 million. The increase was mainly due to higher demand for other IT products and services.

Revenue of other IT products and services in the current financial year-to-date increased by RM0.43 million to RM0.93 million as compared to preceding financial year-to-date of RM0.50 million, mainly due to higher demand for other IT products and services.

B2. Material Change in the Profit/Loss Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

	Current Quarter 31 December 2013 RM'000	Preceding Quarter 30 September 2013 RM'000
Revenue	1,740	2,257
Profit before taxation	75	18

The revenue recorded for the current quarter of RM1.74 million represents a decrease of RM0.52 million as compared to the immediate preceding quarter of RM2.26 million. This was mainly due to drop in revenue for the software solution segment.

The Group recorded a profit before taxation of RM0.08 million for the current quarter which represents an increase of RM0.06 million as compared to the immediate preceding quarter of RM0.02 million. This was mainly due to share of profit from the associate company and reversal of impairment loss on receivables.

B3. Future Prospects

The business environment for 2014 is expected to remain competitive and challenging. The management will put in continuous effort to actively seek new sales opportunities from its existing customers as well as potential new customers.

B4. Profit Forecast and Profit Guarantee

The Group has not issued or disclosed in any public documents any profit forecast or profit guarantee for the current quarter under review.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B5. Taxation

	Current Quarter RM'000	Current Financial Year-to-date RM'000
Current year taxation	-	-
Under/(over) provision in prior year	(13)	(27)
	<u>(13)</u>	<u>(27)</u>

There is no taxation for the current quarter and current financial year-to-date due to no chargeable income.

B6. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of issuance of this announcement

On 6 December 2013, iDimension Consolidated Bhd ("iDimension" or "Company") had entered into a conditional share acquisition agreement for the acquisition by iDimension of 3,000,000 ordinary shares of RM1.00 each in IDB Interactive Sdn Bhd (formerly known as Selinsing Xpress Sdn Bhd) ("IDB") representing 60% of the issued and paid-up share capital of IDB for a total purchase consideration of RM15.0 million.

In addition, iDimension also had on even date entered into a conditional subscription agreement to issue an aggregate principal amount of up to RM20.0 million redeemable convertible preference shares in iDimension ("RCPS") to Advance Opportunities Fund. The aggregate principal amount of the RCPS of up to RM20 million is divided into two (2) tranches with ten (10) sub-tranches in each tranche.

On behalf of the Company, Mercury Securities Sdn Bhd ("Mercury") had on even date announced that the Company proposes to undertake the following:-

- (i) Proposed acquisition of 60% equity interest in IDB for a total purchase consideration of RM15.0 million to be satisfied via a cash payment of RM10.0 million and the issuance of 40,000,000 new ordinary shares of RM0.10 each in iDimension ("Shares") at an issue price of RM0.125 per Share ("Proposed Acquisition");
- (ii) Proposed issuance of up to RM20.0 million RCPS ("Proposed RCPS"); and
- (iii) Proposed amendments to the Memorandum and Articles of Association of iDimension ("Proposed Amendments").

(Collectively referred to as the "Proposals")

On 13 December 2013, Mercury had on behalf of the Company announced that the listing application in respect of the Proposals has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities").

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B6. Status of Corporate Proposals (Cont'd)

The Proposals are currently pending the approval of Bursa Securities for the listing and quotation of the new Shares on the ACE Market of Bursa Securities arising from the Proposed Acquisition and the conversion.

B7. Status of Utilisation of Proceeds

Subsequent to the listing of iDimension on the ACE Market of Bursa Securities on 11 November 2011 and as at 31 December 2013, the gross proceeds of approximately RM14.53 million from the public issue has been utilised in the following manner:-

Descriptions	Proposed	Actual	Intended time frame for utilisation upon listing	Deviations		Explanation
	Utilisation	Utilisation		RM'000	%	
	RM'000	RM'000				
Business expansion	5,000	5,000	Within two (2) years	-	-	(1)
R&D expenditure	4,500	3,335	Within three (3) years	1,165	25.89%	(2)
Capital expenditure	2,100	2,100	Within two (2) years	-	-	-
Working capital	827	914	Within three (3) years	(87)	(10.52)%	(2)
Estimated listing expenses	2,100	1,884	Upon completion of the listing	216	10.29%	(3)
	<u>14,527</u>	<u>13,233</u>				

Notes:-

- 1) The Company had on 24 June 2013 entered into a conditional share acquisition agreement for the acquisition of 20% of the issued and paid-up share capital of Selinsing Xpress Sdn Bhd for a total purchase consideration of RM5.00 million.
- 2) The proceeds from the public issue will be utilised within the estimated timeframe. The Group does not expect any material deviation as at the date of this interim financial report.

The unutilised proceeds raised from the listing are placed in short-term deposits with an investment management company.
- 3) The shortfall in the actual quantum of listing expenses has been adjusted against the amount allocated for working capital.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2013 are as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
<u>Secured</u>			
Bank overdraft	971	-	971
Term loan	-	6,425	6,425
Hire purchase payable	64	96	160
	<u>1,035</u>	<u>6,521</u>	<u>7,556</u>

The Group does not have any unsecured borrowings and debt securities as at 31 December 2013.

All borrowings of the Group are denominated in Ringgit Malaysia.

B9. Material Litigation

The Group is not engaged in any material litigation since the date of the last annual statement of financial position up to the date of issuance of this quarterly report.

B10. Dividend

There were no dividends declared during the financial year-to-date under review.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B11. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue for the financial period, computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year to-date	Preceding Year Corresponding Period
Profit/(Loss) attributable to the owners of the Company (RM'000)	62	(1,732)	(416)	(2,906)
Weighted average number of ordinary shares in issue ('000)	236,667	236,667	236,667	225,545
Basic earnings per share (sen)	0.03	(0.73)	(0.18)	(1.29)

(b) Diluted earnings per share

The basic and diluted earnings of the Company are the same as the Company does not have any convertible securities during the current quarter and financial year-to-date under review.

B12. Breakdown of Realised and Unrealised Group Profits

The breakdown of retained profits of the Group for the current financial year-to-date and preceding financial year, is as follows:-

	31/12/2013 RM'000	31/12/2012 RM'000
Total retained (loss)/profits of the Group:		
- Realised	(1,626)	8,865
- Unrealised	48	12
	<hr/>	<hr/>
	(1,578)	8,877
Less : Consolidation adjustments	(36)	(10,075)
Total Group retained loss as per consolidated accounts	<hr/>	<hr/>
	(1,614)	(1,198)

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B13. Loss for the Period

This is arrived at after charging/(crediting) the following items:

	Current Quarter	Financial Year-to-date
	RM'000	RM'000
(a) Interest income	60	240
(b) Interest expense	(142)	(194)
(c) Depreciation and amortisation	(248)	(833)
(d) Unrealised gain/(loss) on foreign exchange	(13)	(48)
(e) Reversal of impairment loss on receivables	(562)	(562)

Other disclosure items required pursuant to Note 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.