

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

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2014

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 solution segment in the current quarter decrease by RM1.34 million to RM1.25 million as compared to preceding corresponding quarter of RM2.59 million, mainly due to drop in sales. This business segment reported a loss of RM1.31 million for the current quarter as compared to a profit of RM0.02 million in the preceding corresponding quarter, due to expenses incurred for the acquisition of subsidiary company to the Group.

Revenue of the software solution segment in the current financial year-to-date increased by RM0.94 million to RM4.56 million as compared to preceding financial year-to-date of RM3.62 million, mainly due to the increase in demand for customised software solution. This business segment reported a loss of RM0.95 million for the current financial year-to-date as compared to a loss of RM0.14 million in the preceding financial year-to-date, mainly due to expenses incurred for the acquisition of subsidiary company to the Group.

2) Software Systems and Maintenance

Revenue of the software system and maintenance segment in the current quarter increase by RM1.03 million to RM1.74 million as compared to preceding corresponding quarter of RM0.71 million, mainly due to the increase in systems enhancement and upgrade provided to customers. This business segment reported a loss of RM0.63 million for the current quarter as compared to a profit of RM0.09 million in the preceding corresponding quarter, due to expenses incurred for the acquisition of subsidiary company to the Group.

Revenue of the software system and maintenance segment in the current financial year-to-date increased by RM0.92 million to RM2.58 million as compared to preceding financial year-to-date of RM1.66 million, mainly due to additional system enhancement provided to customers. This business segment reported a loss of RM0.54 million for the current financial year-to-date as compared to a loss of RM0.06 million in the preceding financial year-to-date, due to expenses incurred for the acquisition of subsidiary to the Group.

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 decreased by RM0.72 million to RM0.05 million as compared to preceding corresponding quarter of RM0.77 million, mainly due to drop in sales. This business segment reported a loss of RM0.11 million for the current quarter as compared to a loss of RM0.03 million in the preceding corresponding quarter. The increase in loss was mainly due to acquisition of subsidiary company to the Group.

Revenue of other IT products and services in the current financial year-to-date decreased by RM0.42 million to RM0.35 million as compared to preceding financial year-to-date of RM0.77 million, mainly due to drop in sales.

4) Online Games

The online games segment is a new operating segment of the Group.

Revenue of online games for the current quarter was RM2.38 million and the business segment reported a profit of RM0.266 million.

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

	Current Quarter 30 June 2014 RM'000	Preceding Quarter 31 March 2014 RM'000
Revenue	5,420	4,446
(Loss)/Profit before taxation	(2,100)	531

The revenue recorded for the current quarter of RM5.42 million represents an increase of RM0.97 million as compared to the immediate preceding quarter of RM4.45 million. This was mainly due to increase in revenue for the software solution segment and the revenue contribution from the online games segment which is a new operating segment of the Group.

The Group recorded a loss before taxation of RM2.10 million for the current quarter which represents a decrease of RM2.63 million as compared to the profit before taxation recorded for the immediate preceding quarter of RM0.53 million. This was mainly due to expenses incurred in the acquisition of subsidiary company to the Group.

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.

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

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.

B5. Taxation

	Current Quarter RM'000	Current Financial Year-to-date RM'000
Current year taxation	-	-
Under/(over) provision in prior year	(45)	(45)
	<u>(45)</u>	<u>(45)</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 for the corporate exercise of the Company in relation to the issuance of up to RM20 million RCPS, there were no corporate proposals announced but not completed as at the date of issuance of this announcement.

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

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 30 June 2014, 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	4,235	Within three (3) years	265	5.89%	(2)
Capital expenditure	2,100	2,100	Within two (2) years	-	-	-
Working capital	827	1,043	Within three (3) years	(216)	(26.12)%	-
Estimated listing expenses	2,100	1,884	Upon completion of the listing	216	10.29%	(3)
	<u>14,527</u>	<u>14,262</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 30 June 2014 are as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
<u>Secured</u>			
Term loan	-	6,295	6,295
Hire purchase payable	95	305	400
	<u>95</u>	<u>6,600</u>	<u>6,695</u>

The Group does not have any unsecured borrowings and debt securities as at 30 June 2014.

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.

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
Loss attributable to the owners of the Company (RM'000)	(2,168)	(63)	(1,637)	(496)
Weighted average number of ordinary shares in issue ('000)	290,328	236,667	263,646	236,667
Basic earnings per share (sen)	(0.75)	(0.03)	(0.62)	(0.21)

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

B11. Earnings Per Share – Cont'd

(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:-

	30/06/2014	31/12/2013
	RM'000	RM'000
Total retained loss of the Group:		
- Realised	(3,220)	7,470
- Unrealised	49	490
	<hr/>	<hr/>
	(3,171)	7,960
Less : Consolidation adjustments	(83)	(9,577)
Total Group retained loss as per consolidated accounts	<hr/> <hr/>	<hr/> <hr/>
	(3,254)	(1,617)

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	24	41
(b) Interest expense	(14)	(31)
(c) Depreciation and amortisation	(348)	(694)
(d) Unrealised gain on foreign exchange	41	54

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.