

IDIMENSION CONSOLIDATED BHD (Company No. 925990-A)

NOTES TO THE QUARTERLY REPORT – 31 MARCH 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in the Malaysia Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

The financial statements of the Group have been prepared under the historical cost convention except as otherwise stated in the interim financial statements.

The accounting policies and methods adopted by the Group in this interim financial report are consistent with the audited financial statements for the financial year ended 30 June 2020 except for the adoption of the following MFRSs :-

Standards/IC Interpretation/Amendments	Effective date
Amendments to MFRS 3 - Definition of Business	1 January 2020
Amendments to MFRS 101, MFRS 108, MFRS 110, MFRS 134 and MFRS 137 - Definition of Material	1 January 2020
Amendments to MFRS 16 - Covid-19 – Related Rent Concessions	1 June 2020
Amendments to MFRS 7, MFRS 9, MFRS 16 and MFRS 139 - Interest Rate Benchmark Reform, Phase 2	1 January 2021
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2022

The initial adoption of the new MFRSs, IC Interpretations and Amendments to MFRSs do not have any material effect on the financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report for the audited financial statements of the Group for the year ended 30 June 2020 were not subject to any qualification.

A3. Seasonal or Cyclical Factors

The business operations of the Group not significantly affected by seasonal or cyclical factors.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial period-to-date under review.

A5. Material Changes in Estimates

There were no changes in the estimate of amounts reported in the prior interim periods of the current financial year, or in previous years, which have material effect on the current quarter under review.

A6. Changes in Debts and Equity Securities

There were no issuance and repayment of debt or equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares during the financial year-to-date under review.

A7. Dividend Paid

There were no dividends paid during the quarter under review.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A8. Segmental Reporting

The segmental revenue and results for the current period to date and the preceding year's corresponding current period to date under review are as follows:-

	IT business RM'000	Investment holding RM'000	Elimination RM'000	Group RM'000
<u>31 March 2021</u>				
Revenue				
External revenue	8,137	-	-	8,137
Inter-segment revenue	4,891	1,050	(5,941)	-
Total segment revenue	13,028	1,050	(5,941)	8,137
Results				
Interest income	109	1	(106)	4
Dividend income	76	-	-	76
Finance costs	(113)	(106)	106	(113)
Depreciation and amortization	(134)	(222)	-	(356)
Loss allowance on trade receivables	(164)	-	-	(164)
Reversal of loss allowance on trade receivables	106	-	-	106
Segment profit/(loss) before tax	1,584	(1,436)	-	148
Tax expense	(82)	-	-	(82)
Segment profit/(loss)	1,502	(1,436)	-	66
	IT business RM'000	Investment holding RM'000	Elimination RM'000	Group RM'000
<u>31 March 2020</u>				
Revenue				
External revenue	8,670	-	-	8,670
Inter-segment revenue	5,301	838	(6,139)	-
Total segment revenue	13,971	838	(6,139)	8,670
Results				
Interest income	242	7	(220)	29
Dividend income	91	914	(880)	125
Finance costs	(191)	(220)	220	(191)
Depreciation and amortization	(149)	(227)	-	(376)
Adjustment property, plant and equipment	-	(2)	-	(2)
Loss allowance on trade receivables	(250)	-	-	(250)
Reversal of loss allowance on trade receivables	738	-	-	738
Reversal of loss allowance on amount due from IDB Interactive Sdn. Bhd. (online games business segment)	-	3,000	-	3,000
Gain on disposal of investment in subsidiary	-	92	-	92
Segment profit/(loss) before tax	2,255	137	-	2,392
Tax expense	(33)	-	-	(33)
Segment profit/(loss)	2,222	137	-	2,359

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A9. Changes in the Composition of the Group

There is no other changes in the composition of the Group during the quarter.

A10. Subsequent Material Events

There were no material events subsequent to the current quarter up to the date of this interim financial report, save for the Company is awaiting the decisions from the relevant authorities in relation to the Revised Proposed Regularisation Plan submitted on 30 March 2021.

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

B1. Review of Performance

The Group recorded a total revenue of RM3.26 million for the current quarter compared to RM3.02 million in the corresponding quarter of preceding year, an increase of RM0.24 million (7.9%). This mainly due to the provision of new IT consultancy services.

The Group recorded a loss before taxation of RM0.01 million for the current quarter compared to RM0.77 million in the corresponding quarter of preceding year, a decreased of RM0.76 million (98.7%). This mainly due to higher operating expenses incurred on professional fees for the on-going regularisation plan in the corresponding quarter of preceding year.

For period to date, the Group recorded a total revenue of RM8.14 million compared to RM8.67 million a year ago, a decrease of RM0.53 million (6.1%). The decreased was mainly attributable to overall slowdown in project implementation due to current ongoing Covid-19 pandemic.

The Group recorded a period to date profit before taxation of RM0.15 million compared to RM2.39 million in the preceding year corresponding period, a decrease of RM2.24 million (93.7%). This mainly due to one-off non-operating income recorded in the preceding year corresponding period i.e. reversal of loss allowance on amount due from IDB Interactive Sdn. Bhd. (online games business segment), which derived from the settlement sum of RM3.0 million from legal suit.

IT Business

The revenue of the IT business for the current quarter is RM3.26 million compared to RM3.02 million in the correspondence quarter a year ago, an increase of RM0.24 million (7.9%). This mainly due to the provision of new IT consultancy services.

The IT business segment reported a profit before taxation of RM1.58 million for the current period to date compared to RM2.26 million in the preceding year's period to date, a decrease of RM0.68 million (30.1%). This mainly due to a reversal of loss allowance on trade receivable of RM0.74 million in the preceding year's period to date.

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

B1. Review of Performance (cont'd)

Investment Holding

The revenue of the investment holding segment for the current quarter of RM0.28 million comprise of management fees received or receivable from its subsidiaries.

The investment holding segment has recorded a loss before taxation of RM1.44 million for the current period to date. Whereas in the preceding year's period to date, the profit before taxation was RM0.14 million mainly due to one-off non-operating income i.e. reversal of loss allowance on amount due from IDB Interactive Sdn. Bhd. (online games business segment), which derived from settlement sum of RM 3.0 million from legal suits.

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

	Current Quarter 31 Mar 2021 RM'000	Preceding Quarter 31 Dec 2020 RM'000
Revenue	3,258	3,125
Profit / (Loss) before taxation	(14)	287

For the current quarter under review, the Group recorded a revenue of RM3.26 million compared to the preceding quarter of RM3.13 million, an increase of RM0.13 million (4.15%). This mainly due to the increase of sales on IT consultancy services.

Despite the increase in revenue, the Group recorded a loss before taxation of RM0.01 million for the current quarter under review compared to a profit before taxation of RM0.29 million in the preceding quarter, a decreased of RM0.30 million (103.45%). This mainly due to lower margin derived from the outsourced IT projects coupled with higher operating costs incurred for the current quarter under review.

B3. Future Prospects

The Group continues to focus on development of new opportunities to maintain a sustainable IT business for the final quarter.

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.

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

B5. Taxation

	Current Quarter 31 Mar 2021 RM'000	9 months to date 31 Mar 2021 RM'000
Current year taxation	(13)	102
Under/(Over) provision in prior year	(20)	(20)
Deferred taxation	-	-
	(33)	82

The effective tax rate for the financial period ended 31 March 2021 was lower than the statutory tax rate mainly due to some of the subsidiaries are in the adjusted business loss position and there were unabsorbed capital allowances and unutilized business losses to set-off against taxable income.

B6. Status of Corporate Proposals

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

B7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 Mar 2021 are as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
<u>Secured</u>			
Term loan	364	2,529	2,893
Hire purchase & Finance lease payable	17	243	260
	381	2,772	3,153

The Group does not have any unsecured borrowings and debt securities as at 31 Mar 2021.

All borrowings of the Group are denominated in Ringgit Malaysia.

B8. Material Litigation

There were no material litigations subsequent to the current quarter up to the date of this interim financial report.

B9. Dividend

There were no dividends declared during the current quarter under review.

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

B10. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) 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	9 mths to-date	Preceding 9 months Corresponding to date
Profit/(Loss) attributable to the owners of the Company (RM'000)	19	(416)	66	2,359
Weighted average number of ordinary shares in issue ('000)	271,962	271,962	271,962	271,962
Basic earnings per share (sen)	0.01	(0.15)	0.02	0.87

(b) Diluted earnings per share

The diluted earnings per share of the Company are the same calculation as the basic earnings per share during the current quarter and financial period-to-date.

B12. Profit for the Period

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

	Current Quarter 31 Mar 2021 RM'000	Year To Date 31 Mar 2021 RM'000
Interest income	1	4
Dividend income	24	76
Other income	4	55
Interest expenses	(35)	(113)
Depreciation and amortization	(119)	(356)
Loss allowance on trade receivables	(7)	(164)
Reversal of loss allowance on trade receivables	-	106
Unrealised Foreign exchange gain/(loss)	42	(1)
Realised Foreign exchange gain/ (loss)	40	13

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.