



INFOLINE TEC GROUP BERHAD

Registration No. 202101032489 (1432789-M)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

THIRD QUARTER ENDED 30 SEPTEMBER 2022

21 NOVEMBER 2022

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾**

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	UNAUDITED 30 September 2022	UNAUDITED 30 September 2021 ⁽²⁾	UNAUDITED 30 September 2022	UNAUDITED 30 September 2021 ⁽²⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	28,523	N/A	44,467	N/A
Cost of sales	(17,212)	N/A	(27,624)	N/A
Gross profit	11,311	N/A	16,843	N/A
Other income	205	N/A	626	N/A
Administrative expenses	(1,499)	N/A	(4,851)	N/A
Other expenses	(128)	N/A	(342)	N/A
Finance costs	(3)	N/A	(9)	N/A
Profit before tax	9,886	N/A	12,267	N/A
Income tax expense	(2,850)	N/A	(3,708)	N/A
Profit after tax attributable to the owners of the Company	7,036	N/A	8,559	N/A
Other comprehensive income				
- Foreign currency translation differences	(54)	N/A	(24)	N/A
Total comprehensive income for the period attributable to the owners of the Company	6,982	N/A	8,535	N/A
Basic earnings per share (sen)⁽³⁾	3.98	N/A	4.85	N/A
Diluted earnings per share (sen)⁽³⁾	3.98	N/A	4.85	N/A

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 20 June 2022 ("**Prospectus**") and the accompanying explanatory notes attached in this interim financial report.
- (2) This is the third interim financial report announced in compliance with the Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter as there was no interim financial report prepared for the comparative quarter concerned.
- (3) Basic and diluted earnings per share is calculated based on the weighted average number of ordinary shares in the Company ("**Shares**") which is in issue during the financial period under review.

N/A - Not Applicable

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022⁽¹⁾

	<u>UNAUDITED AS AT</u> <u>30 September 2022</u>	<u>AUDITED AS AT</u> <u>31 December 2021</u>
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Equipment	300	372
Right-of-use assets	217	233
Deferred tax assets	803	803
	1,320	1,408
Current assets		
Inventories	742	2,022
Contract cost assets	3,607	2,746
Trade receivables	27,800	9,519
Other receivables, deposits and prepayments	11,861	1,723
Current tax assets	-	8
Deposit with a licensed bank	-	959
Short-term investments	13,000	-
Cash and bank balances	12,210	11,432
	69,220	28,409
Total assets	70,540	29,817
EQUITY AND LIABILITIES		
Equity		
Share capital	36,935	-
Invested equity	-	2,490
Retained profits	21,505	14,962
Reserves	434	458
Merger Reserves	(11,972)	-
Total equity	46,902	17,910
Non-current liabilities		
Contract liabilities	1,027	602
Lease liabilities	79	132
	1,106	734
Current Liabilities		
Trade payables	8,365	6,561
Other payables and accruals	201	1,456
Contract liabilities	11,756	3,049
Lease liabilities	145	107
Current tax liabilities	2,065	-
	22,532	11,173
Total liabilities	23,638	11,907
Total equity and liabilities	70,540	29,817
Net assets per share attributable to owners of the Company (RM)	⁽²⁾ 0.13	7.20

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Financial Position is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached in this interim financial report.
- (2) Net assets per share is calculated based on 363,229,120 Shares in issue after the Acquisitions and Public Issue (as detailed in Note B5).

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2022^{(1) (2)}

			Non-Distributable			Distributable	Total Equity RM'000
	Share Capital RM'000	Invested Equity RM'000	Foreign Exchange Translation Reserve RM'000	Statutory Reserve RM'000	Merger Reserve RM'000	Retained Profits RM'000	
Balance as at 1 January 2022	*	2,490	304	154	-	14,962	17,910
Effect arising from acquisition	-	-	-	-	(11,972)	-	(11,972)
Contributions by and distributions to owners of the Company:							
Issuance of shares	38,142	(2,490)	-	-	-	-	35,652
Listing expenses	(1,207)	-	-	-	-	-	(1,207)
Dividend paid	-	-	-	-	-	(2,016)	(2,016)
Total transaction with owners	36,935	(2,490)	-	-	-	(2,016)	32,429
Profit for the financial period	-	-	-	-	-	8,559	8,559
Foreign exchange translation	-	-	(24)	-	-	-	(24)
Total comprehensive income	-	-	(24)	-	-	8,559	8,535
Balance as at 30 September 2022	36,935	-	280	154	(11,972)	21,505	46,902

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
 - (2) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.
- * Denote RM25.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾

	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30 September 2022	30 September 2021⁽²⁾
	RM'000	RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	12,267	N/A
Adjustments for:		
Allowance of impairment losses on inventories	21	N/A
Depreciation of equipment	54	N/A
Depreciation of right-of-use assets	107	N/A
Gain on disposal of equipment	(1)	N/A
Interest expense on lease liabilities	9	N/A
Interest income	(20)	N/A
Unrealised gain on foreign exchange	(199)	N/A
Operating profit before working capital changes	12,238	N/A
Increase in inventories	1,259	N/A
Increase in trade and other receivables	(21,755)	N/A
Increase in trade and other payables	550	N/A
Increase in contract cost assets	(860)	N/A
Increase in contract liabilities	9,131	N/A
Cash from operations	563	N/A
Income tax paid	(1,699)	N/A
Income tax refund	49	N/A
Interest paid	(9)	N/A
NET CASH FOR OPERATING ACTIVITIES	(1,096)	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(47)	N/A
Prepayment of equipment	(6,664)	N/A
Placement of deposit with tenure more than 3 months	(18)	N/A
Proceed from disposal of equipment	67	N/A
Withdrawal of deposits pledged to licensed bank	977	N/A
Interest received	20	N/A
NET CASH FOR INVESTING ACTIVITIES	(5,665)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of ordinary shares	22,473	N/A
Dividend paid	(2,016)	N/A
Repayment of lease liabilities	(106)	N/A
NET CASH FROM FINANCING ACTIVITIES	20,351	N/A

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾ (continued)

	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30 September 2022	30 September 2021⁽²⁾
	RM'000	RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,590	N/A
EFFECT OF FOREIGN EXCHANGE TRANSLATION	188	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,432	N/A
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,210	N/A

Notes:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not Applicable

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The interim financial report of Infoline Tec Group Berhad (“**Infoline Tec**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is unaudited and had been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards (“**MFRSs**”) 134 “Interim Financial Reporting” and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities.

This is the third interim financial report for the third quarter ended 30 September 2022 announced by the Group in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding quarter.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial report are consistent with those adopted in the annual financial statements of the Group. The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes to this interim financial report.

Statement of compliance

The unaudited interim financial statements of the Group have been prepared in accordance with the MFRSs and International Financial Reporting Standards (“**IFRSs**”).

The Group has adopted the following new MFRS, amendments/improvements to MFRSs and new IC Interpretations that are mandatory for the current financial period:

Amendments/Improvements to MFRSs

- MFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021
- MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform - Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s combined financial statements.

- (a) The Group has not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

New MFRS

MFRS 17 Insurance Contracts

**Effective for
financial periods
beginning on or
after**

1 January 2023

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

A1 Basis of preparation (continued)

Amendments/Improvements to MFRSs

MFRS 3	Reference to the Conceptual Framework	1 January 2022
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 17	Insurance Contracts	1 January 2023
MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
MFRS 101	Classification of Liabilities as Current or Non- current	1 January 2023
MFRS 101	Disclosure of Accounting Policies	1 January 2023
MFRS 108	Definition of Accounting Estimates	1 January 2023
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
	Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The Group plans to adopt the above applicable new MFRSs and amendments/improvements to MFRSs when they become effective and that the adoption of these standards and amendments are not expected to have any material impact on the financial statements of the Group in the period of initial application.

A2 Auditors' report on preceding annual financial statements

Infoline Tec was incorporated under the Companies Act, 2016 on 5 October 2021 and was converted to a public limited company on 29 October 2021. The Company completed the Acquisitions on 9 May 2022.

There was no auditors' report on the Group for preceding annual financial statements. However, the auditors' report for the financial year ended 31 December 2021 of the Company, Infoline Tec, Infoline Solutions and Infoline Shenzhen were not subject to any qualification. The preceding annual financial statement are prepared based on combination or aggregation of all the audited financial statements of respective companies of the Group.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

A3 Seasonal or cyclical factors

The Group's interim operations were not subjected to any significant seasonal or cyclical factors.

A4 Material unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A5 Changes in estimates

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the financial period under review.

A6 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

A7 Dividend paid

On 27 April 2022 and prior to the completion of the Acquisitions, Infoline IT Solutions Sdn Bhd has declared a final dividend of RM0.9247 per ordinary share amounting to approximately RM2.016 million in respect of the financial year ended 31 December 2021. The dividend was paid on 6 May 2022.

The Directors have not recommended or declared any dividend for the financial period under review for Infoline Tec Group Berhad.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

A8 Segment information

The unaudited segment information for the individual quarter ended 30 September 2022 is as follows:

	IT Infrastructure Solutions RM'000	Cybersecurity Solutions RM'000	Managed IT Services and Other IT Services RM'000	Trading of Ancillary Hardware and Software RM'000	Elimination RM'000	Total RM'000
30 September 2022						
Revenue:						
Revenue from external customers	14,985	10,055	3,238	245	-	28,523
Inter-segment revenue	-	-	38	-	(38)	-
	<u>14,985</u>	<u>10,055</u>	<u>3,276</u>	<u>245</u>	<u>(38)</u>	<u>28,523</u>
Segment profit	6,102	3,110	2,032	67	-	11,311
Other income						205
Administrative expenses						(1,499)
Other expenses						(128)
Finance costs						(3)
Income tax expense						(2,850)
Profit for the financial period						<u>7,036</u>

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

A8 Segment information (continued)

The unaudited segment information for the cumulative quarter ended 30 September 2022 is as follows:

	IT Infrastructure Solutions RM'000	Cybersecurity Solutions RM'000	Managed IT Services and Other IT Services RM'000	Trading of Ancillary Hardware and Software RM'000	Elimination RM'000	Total RM'000
30 September 2022						
Revenue:						
Revenue from external customers	26,870	10,720	6,178	699	-	44,467
Inter-segment revenue	-	-	121	-	(121)	-
	<u>26,870</u>	<u>10,720</u>	<u>6,299</u>	<u>699</u>	<u>(121)</u>	<u>44,467</u>
Segment profit	10,441	3,331	2,870	201	-	16,843
Other income						626
Administrative expenses						(4,851)
Other expenses						(342)
Finance costs						(9)
Income tax expense						<u>(3,708)</u>
Profit for the financial period						<u>8,559</u>

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

A9 Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment in the current quarter.

A10 Material events subsequent to the end of the quarter

Save as disclosed in Note B5, there was no material event subsequent to the end of the quarter under review.

A11 Changes in the composition of the Group

Save as disclosed in Note B5, there were no changes to the composition of the Group for the quarter under review.

A12 Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets in the Group for the quarter under review.

A13 Capital commitments

Outstanding capital commitments in respect of capital expenditure at financial position date not provided for at the end of each reporting period are as follows:

Capital expenditure commitments	Unaudited as at 30 September 2022	Audited as at 31 December 2021
	RM'000	RM'000
<u>Property, plant and equipment</u>		
<i>Authorised and contracted for</i>	39	-
<i>Authorised but not contracted for</i>	1,229	-

A14 Related party transactions

There were no material related party transactions during the quarter under review.

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Rental expenses paid to Director of the Company	13	N/A	38	N/A

A15 Fair value information

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1 Review of performance

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Revenue	28,523	N/A	44,467	N/A
Gross profit	11,311	N/A	16,843	N/A
Profit before tax	9,886	N/A	12,267	N/A
Profit after tax	7,036	N/A	8,559	N/A

Current quarter

The Group recorded revenue of RM28.52 million for the current financial quarter ended 30 September 2022.

The Group's revenue was mainly derived from the IT infrastructure solutions segment and cybersecurity solutions segment, which contributed RM14.99 million or 52.6% and RM10.06 million or 35.3% of the total revenue for the current financial quarter ended 30 September 2022, respectively. The Group's Malaysia operation remained as the major revenue contributor, which contributed approximately 75.1% of the Group's total revenue for the current financial quarter ended 30 September 2022.

The Group also registered profit before tax and profit after tax of RM9.89 million and RM7.04 million, respectively, in the current financial quarter under review. During the current financial quarter, the Group recorded higher profit mainly due to the completion and delivery of its IT infrastructure solutions and cybersecurity solutions projects during the period.

Cumulative quarter (9 months)

For the 9-months financial period ended 30 September 2022, the Group's revenue amounted to RM44.47 million.

The Group's IT infrastructure solutions segment and cybersecurity solutions segment contributed RM26.87 million or 60.4% and RM10.72 million or 24.1% to the total revenue for the 9-months financial period ended 30 September 2022, respectively. Approximately 79.2% of the Group's total revenue for the 9-months financial period ended 30 September 2022 was derived from the Group's Malaysia operation.

In the 9-months financial period ended 30 September 2022, the Group's profit before tax and profit after tax amounted to RM12.27 million and RM8.56 million, respectively. The completion and delivery of the Group's IT infrastructure solutions and cybersecurity solutions projects attributed to the Group's higher profit.

However, the Group recorded higher administrative expenses (mainly due to expenses relating to the IPO exercise amounting to approximately RM0.94 million which are not recurring in nature).

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

B2 Comparison with immediate preceding quarter's results

	Current Quarter	Preceding Quarter	Variance	
	30 September 2022 RM'000	30 June 2022 RM'000	RM'000	%
Revenue	28,523	7,081	21,442	302.81
Gross profit	11,311	2,336	8,975	384.20
Profit before tax	9,886	629	9,257	1,471.70
Profit after tax	7,036	206	6,830	3,315.53

During the current financial quarter, the completion and delivery of the Group's IT infrastructure solutions and cybersecurity solutions projects attributed to the Group's higher revenue and profit before tax. Compared with the immediate preceding quarter ended 30 June 2022, the Group's revenue for the current quarter increased more than 300.00% to RM28.52 million. Further, the Group recorded a higher profit before tax by more than 1,400.00% to RM9.89 million.

B3 Prospects

The Group is an IT infrastructure and cybersecurity service provider. Acceleration in digital transformation and the evolution of technologies in daily lives such as artificial intelligence (AI), big data, cloud computing, internet of things (IoT) and mobile and social computing will lead to an increase in demand for IT infrastructure and cybersecurity solutions to address the increasing volume of data generated.

With the proceeds raised from the Company's successful initial public offering on the ACE Market of Bursa Securities ("IPO") on 13 July 2022, the Group is now actively implementing and pursuing its future plans and strategies as disclosed in the Company's Prospectus dated 20 June 2022, which include, amongst others:

- Enhancement of facilities for managed IT services;
- Setting up of technology centre and disaster recovery centre; and
- Geographical expansion in Malaysia and in international markets.

Moving forward, the Board is optimistic that initiatives such as the above will enhance the Group's competitiveness and strengthen its market position in the IT infrastructure and cybersecurity industries. Furthermore, by leveraging on the Group's established track record and management's strong technical capabilities, the Group is confident of capitalising on the attractive industry prospects ahead.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

B3 Prospects (continued)

Despite the challenging environment posed by the gradual recovery from Covid-19 pandemic, inflationary pressures from higher input prices, and most recently the uncertainties caused by the Russian military invasion of Ukraine, the management has assessed the impact on the Group and is of the opinion that there were no material financial impacts and barring any unforeseen circumstances, expects to continue to register growth in its sales, market share and profitability.

B4 Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2022 RM'000	30 September 2021⁽¹⁾ RM'000	30 September 2022 RM'000	30 September 2021⁽¹⁾ RM'000
Income tax expense:				
Current financial period	(2,850)	N/A	(3,708)	N/A
Movement in deferred tax:				
Originating of temporary difference	-	N/A	-	N/A
Total tax expense	(2,850)	N/A	(3,708)	N/A
Effective tax rate ⁽²⁾	28.8%	N/A	30.2%	N/A

Notes:

- (1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding corresponding quarter as no interim financial report prepared for the comparative quarter concerned.
- (2) The effective tax rate of the Group's current tax charge for the current financial period under review was above the statutory tax rate due to certain expenses which are not deductible for tax purposes.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

B5 Status of corporate proposals and utilisation of proceeds

On 3 November 2021, the Company had entered into the following share sale agreements:

- (a) Share sale agreement between the Company and the vendors of Infoline Solutions for the acquisition of 100% equity interest in Infoline Solutions, for a purchase consideration of RM9,553,502 which was wholly satisfied by the issuance of 191,070,040 new Shares at an issue price of RM0.05 each (“**Infoline Solutions Acquisition**”); and
- (b) Share sale agreement between the Company and the vendors of Infoline Shenzhen for the acquisition of 100% equity interest in Infoline Shenzhen, for a purchase consideration of RM4,907,929 (equivalent to RMB7,635,236 based on the closing exchange rate on 30 June 2021 of RMB1:RM0.6428) which was wholly satisfied by the issuance of 98,158,580 new Shares at an issue price of RM0.05 per each (“**Infoline Shenzhen Acquisition**”).

Infoline Solutions Acquisition and Infoline Shenzhen Acquisition are collectively referred to as the “**Acquisitions**”.

The Acquisitions were completed on 9 May 2022.

On 20 June 2022, the Company issued its Prospectus in conjunction with the Company’s listing on the ACE Market of Bursa Securities where it has undertaken an IPO comprising:-

- (i) Public issue of 74,000,000 new Shares (“**Public Issue**”) allocated in the following manner:
 - 18,162,000 new Shares available for application by the Malaysian public;
 - 8,269,000 new Shares available for application by the eligible directors and employees, and persons who have contributed to the success of the Group;
 - 2,165,300 new Shares made available by way of private placement to selected investors; and
 - 45,403,700 new Shares made available by way of private placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry, Malaysia; and
- (ii) Offer for sale of 22,250,000 existing Shares by way of private placement to selected investors,

at an issue/offer price of RM0.32 per Share.

The listing of and quotation for the entire enlarged issued Shares of the Company on the ACE Market of Bursa Securities was completed on 13 July 2022. The enlarged issued Shares of the Company arising from the IPO were 363,229,120 Shares equivalent to RM38.14 million.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

B5 Status of corporate proposals and utilisation of proceeds (continued)

Further to the completion of the IPO on 13 July 2022, the Company raised gross proceeds of RM23.68 million from the IPO via Public Issue. As at 14 November 2022, RM12.09 million of the total proceeds raised has been utilised as follows:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated time frame for utilisation upon Listing
Setting up of technology centre and disaster recovery centre	8,460	(4,934)	3,526	Within 9 months
Enhancement of Network Operation Centre (NOC)	4,300	(2,610)	1,690	Within 8 months
Setting of a Security Operation Centre (SOC)	4,700	(535)	4,165	Within 18 months
Business expansion	2,220	(10)	2,210	Within 12 months
Estimated listing expenses	4,000	(4,000)	-	Within 3 months
	23,680	(12,089)	11,591	

The proposed utilisation of the proceeds as disclosed above should be read in conjunction with the Company's Prospectus.

B6 Borrowings

The Group has no borrowings as at 30 September 2022.

B7 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public documents.

B8 Material litigation

The Group has no outstanding material litigation as at the date of this interim report.

B9 Dividend

Save as disclosed in Note A7, the Directors have not recommended or declared any dividend for the quarter ended 30 September 2022.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

B10 Earnings per share

The basic and diluted earnings per share for the current quarter and financial period is calculated as follows:

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	30 September 2022	30 September 2021⁽¹⁾	30 September 2022	30 September 2021⁽¹⁾
Profit attributable to owners of the Company (RM'000)	7,036	N/A	8,559	N/A
Weighted average number of Shares in issue ('000)	176,660	N/A	176,660	N/A
Basic earnings per Share (sen) ⁽²⁾	3.98	N/A	4.85	N/A
Diluted earnings per Share (sen) ⁽²⁾	3.98	N/A	4.85	N/A

Notes:

- (1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.
- (2) Basic and diluted earnings per share is calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of Shares in issue during the financial period under review.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

B11 Profit before taxation

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2022 RM'000	30 September 2021 ⁽¹⁾ RM'000	30 September 2022 RM'000	30 September 2021 ⁽¹⁾ RM'000
Profit before tax is arrived at after charging/(crediting):				
(Writeback)/Allowance of impairment losses on inventories	(2)	N/A	21	N/A
Depreciation of equipment	16	N/A	54	N/A
Depreciation of right-of-use assets	42	N/A	107	N/A
Interest expense on lease liabilities	3	N/A	9	N/A
Interest income	(4)	N/A	(20)	N/A
Unrealised gain on foreign exchange	(54)	N/A	(199)	N/A
Gain on disposal of equipment	-	N/A	(1)	N/A

Note:

(1) This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no available comparative figures for the preceding year's quarter as no interim financial report was prepared for the comparative quarter concerned.

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

By order of the Board of Directors
Infoline Tec Group Berhad
21 November 2022