



**INFOLINE TEC GROUP BERHAD**

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

**INTERIM FINANCIAL REPORT**

**FOURTH QUARTER ENDED 31 DECEMBER 2022**

**15 FEBRUARY 2023**

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE FINANCIAL QUARTER/ YEAR ENDED 31 DECEMBER 2022<sup>(1)</sup>**

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 12 MONTHS ENDED	
	UNAUDITED 31 December 2022 RM'000	UNAUDITED 31 December 2021 <sup>(2)</sup> RM'000	UNAUDITED 31 December 2022 RM'000	AUDITED 31 December 2021 RM'000
Revenue	28,374	N/A	72,841	44,586
Cost of sales	(18,942)	N/A	(46,566)	(27,549)
Gross profit	9,432	N/A	26,275	17,037
Other income	441	N/A	1,067	256
Administrative expenses	(2,735)	N/A	(7,586)	(6,269)
Other expenses	(834)	N/A	(1,175)	(440)
Finance costs	(5)	N/A	(15)	(23)
Net impairment losses on financial assets	(1,898)	N/A	(1,898)	(34)
Profit before tax	4,401	N/A	16,668	10,527
Income tax expense	(842)	N/A	(4,550)	(2,731)
<b>Profit after tax attributable to the owners of the Company</b>	<b>3,559</b>	<b>N/A</b>	<b>12,118</b>	<b>7,796</b>
<b>Other comprehensive income</b>				
- Foreign currency translation differences	(176)	N/A	(201)	260
<b>Total comprehensive income for the year attributable to the owners of the Company</b>	<b>3,383</b>	<b>N/A</b>	<b>11,917</b>	<b>8,056</b>
<b>Basic earnings per share (sen)<sup>(3)</sup></b>	<b>1.59</b>	<b>N/A</b>	<b>5.42</b>	<b>313.09</b>
<b>Diluted earnings per share (sen)<sup>(3)</sup></b>	<b>1.59</b>	<b>N/A</b>	<b>5.42</b>	<b>313.09</b>

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

**Notes:**

- (1) The basis of preparation of the 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 fourth 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 year under review.

N/A - Not Applicable

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**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 <sup>(1)</sup>**

	UNAUDITED AS AT 31 December 2022 RM'000	AUDITED AS AT 31 December 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Equipment	9,091	372
Right-of-use assets	308	233
Deferred tax assets	803	803
	<b>10,202</b>	<b>1,408</b>
<b>Current assets</b>		
Inventories	358	2,022
Contract cost assets	4,573	2,746
Trade receivables	16,603	9,519
Other receivables, deposits and prepayments	654	1,723
Current tax assets	167	8
Deposit with a licensed bank	-	959
Short-term investments	13,000	-
Cash and bank balances	24,884	11,432
	<b>60,239</b>	<b>28,409</b>
<b>Total assets</b>	<b>70,441</b>	<b>29,817</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	36,935	-
Invested equity	-	2,490
Retained profits	25,064	14,962
Reserves	259	458
Merger Reserves	(11,972)	-
<b>Total equity</b>	<b>50,286</b>	<b>17,910</b>
<b>Non-current liabilities</b>		
Contract liabilities	1,401	602
Lease liabilities	181	132
	<b>1,582</b>	<b>734</b>
<b>Current Liabilities</b>		
Trade payables	10,700	6,561
Other payables and accruals	2,415	1,456
Contract liabilities	3,666	3,049
Lease liabilities	135	107
Current tax liabilities	1,657	-
	<b>18,573</b>	<b>11,173</b>
<b>Total liabilities</b>	<b>20,155</b>	<b>11,907</b>
<b>Total equity and liabilities</b>	<b>70,441</b>	<b>29,817</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<sup>(2)</sup> 0.14	7.20

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**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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**  
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**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 <sup>(1)</sup>**

			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 year	-	-	-	-	-	12,118	12,118
Foreign exchange translation	-	-	(199)	-	-	-	(199)
Total comprehensive income	-	-	(199)	-	-	12,118	11,919
Balance as at 31 December 2022	36,935	-	105	154	(11,972)	25,064	50,286

**Notes:**

- (1) The basis of preparation of the 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.

\* Denote RM25.

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**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 <sup>(1)</sup>**

	Share Capital RM'000	Invested Equity RM'000	Non-Distributable		Distributable	Total Equity RM'000
			Foreign Exchange Translation Reserve RM'000	Statutory Reserve RM'000	Retained Profits RM'000	
Balance as at 1 January 2021	-	2,490	44	154	7,166	9,854
Profit for the financial year	-	-	-	-	7,796	7,796
Foreign exchange translation	-	-	260	-	-	260
Total comprehensive income	-	-	260	-	7,796	8,056
Contributions by owners of the Company:						
Issuance of shares	*	-	-	-	-	*
Balance as at 31 December 2021	*	2,490	304	154	14,962	17,910

**Notes:**

- (1) The basis of preparation of the 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.

\* Denote RM25.

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**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 <sup>(1)</sup>**

	<b>CURRENT YEAR TO DATE UNAUDITED 31 December 2022 RM'000</b>	<b>PRECEDING YEAR TO DATE AUDITED 31 December 2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	16,668	10,527
Adjustments for:		
Allowance for impairment losses on trade receivables	1,898	47
Depreciation of equipment	234	78
Depreciation of right-of-use assets	148	122
Gain on disposal of equipment	(1)	(1)
Interest expense on lease liabilities	15	13
Interest income	(101)	(44)
Property, plant and equipment written off	5	-
Unrealised loss on foreign exchange	541	-
Writeback of impairment losses on inventories	(2)	-
Interest expense on financial liabilities that are not at fair value through profit or loss	-	3
Inventories written down	-	62
Gain on modification of leases	-	(2)
Reversal of impairment loss on trade receivables	-	(13)
<b>Operating profit before working capital changes</b>	<b>19,405</b>	<b>10,792</b>
Decrease/(Increase) in inventories	1,666	(1,423)
Increase in trade and other receivables	(7,737)	(2,418)
Increase in trade and other payables	5,099	745
Increase in contract cost assets	(1,827)	(257)
Increase in contract liabilities	1,416	1,074
<b>Cash from operations</b>	<b>18,022</b>	<b>8,513</b>
Income tax paid	(2,979)	(4,004)
Income tax refund	48	-
Interest paid	(15)	(16)
Interest received	-	26
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>15,076</b>	<b>4,519</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of equipment	(9,025)	(377)
Prepayment of equipment	(176)	-
Placement of deposit with tenure more than 3 months	(18)	(29)
Proceed from disposal of equipment	67	3
Withdrawal of deposits pledged to licensed bank	977	-
Interest received	101	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(8,074)</b>	<b>(403)</b>



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**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 <sup>(1)</sup> (continued)**

	<b>CURRENT YEAR TO DATE UNAUDITED 31 December 2022 RM'000</b>	<b>PRECEDING YEAR TO DATE AUDITED 31 December 2021 RM'000</b>
<b>CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES</b>		
Net proceeds from issuance of ordinary shares	22,473	*
Dividend paid	(2,016)	-
Repayment of lease liabilities	(146)	(117)
<b>NET CASH FROM/ (FOR) FINANCING ACTIVITIES</b>	<b>20,311</b>	<b>(117)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>27,313</b>	<b>3,999</b>
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(861)	261
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,432	7,172
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>37,884</b>	<b>11,432</b>

**Notes:**

(1) The basis of preparation of the 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.

\* Denote RM25.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 fourth interim financial report for the fourth quarter ended 31 December 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 year:

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 FOURTH QUARTER ENDED 31 DECEMBER 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 year 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.

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 FOURTH QUARTER ENDED 31 DECEMBER 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 year 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 year under review.

**A6 Debt and equity securities**

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

**A7 Dividend paid**

There was no dividend paid in the current financial quarter under review.

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**A8 Segment information**

The unaudited segment information for the individual quarter ended 31 December 2022 is as follows:

	<b>IT Infrastructure Solutions RM'000</b>	<b>Cybersecurity Solutions RM'000</b>	<b>Managed IT Services and Other IT Services RM'000</b>	<b>Trading of Ancillary Hardware and Software RM'000</b>	<b>Investment Holding</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>31 December 2022</b>							
Revenue:							
Revenue from external customers	19,032	5,840	2,927	575	-	-	28,374
Inter-segment revenue	10	-	83	-	11,500	(11,593)	-
	<u>19,042</u>	<u>5,840</u>	<u>3,010</u>	<u>575</u>	<u>11,500</u>	<u>(11,593)</u>	<u>28,374</u>
Segment profit	7,479	942	762	249	-	-	9,432
Other income							441
Administrative expenses							(2,735)
Other expenses							(833)
Finance costs							(6)
Net impairment losses on financial assets							(1,898)
Income tax expense							(842)
Profit for the financial year							<u>3,559</u>

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**A8 Segment information (continued)**

The unaudited segment information for the cumulative quarter ended 31 December 2022 is as follows:

	<b>IT Infrastructure Solutions RM'000</b>	<b>Cybersecurity Solutions RM'000</b>	<b>Managed IT Services and Other IT Services RM'000</b>	<b>Trading of Ancillary Hardware and Software RM'000</b>	<b>Investment Holding</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>31 December 2022</b>							
Revenue:							
Revenue from external customers	45,901	16,560	9,106	1,274	-	-	72,841
Inter-segment revenue	10	-	204	-	11,500	(11,714)	-
	<u>45,911</u>	<u>16,560</u>	<u>9,310</u>	<u>1,274</u>	<u>11,500</u>	<u>(11,714)</u>	<u>72,841</u>
Segment profit	17,920	4,273	3,632	450	-	-	26,275
Other income							1,067
Administrative expenses							(7,586)
Other expenses							(1,175)
Finance costs							(15)
Net impairment losses on financial assets							(1,898)
Income tax expense							(4,550)
Profit for the financial year							<u>12,118</u>

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**A8 Segment information (continued)**

The audited segment information for the financial year ended 31 December 2021 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	Investment Holding	Elimination RM'000	Total RM'000
<b>31 December 2021</b>							
Revenue:							
Revenue from external customers	33,023	1,509	7,959	2,095	-	-	44,586
Inter-segment revenue	-	-	152	-	-	(152)	-
	33,023	1,509	8,111	2,095	-	(152)	44,586
Segment profit	12,313	323	4,202	199	-	-	17,037
Other income							256
Administrative expenses							(6,269)
Other expenses							(440)
Finance costs							(23)
Net impairment losses on financial assets							(34)
Income tax expense							(2,731)
Profit for the financial year							7,796

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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**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 and below, there were no changes to the composition of the Group for the quarter under review:

- (i) On 12 December 2022, the Company announced that it had incorporated a wholly-owned subsidiary, Infoline Tec International Pte. Ltd. in Singapore.

**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 year are as follows:

<b>Capital expenditure commitments</b>	<b>Unaudited as at 31 December 2022 RM'000</b>	<b>Audited as at 31 December 2021 RM'000</b>
<u>Property, plant and equipment</u> <i>Authorised but not contracted for</i>	647	-

**A14 Related party transactions**

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

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>Unaudited 31 December 2022 RM'000</b>	<b>Unaudited 31 December 2021 RM'000</b>	<b>Unaudited 31 December 2022 RM'000</b>	<b>Audited 31 December 2021 RM'000</b>
Rental expenses paid to Director of the Company	13	N/A	50	50
Rental expenses paid to company controlled by Director of the Company	13	N/A	50	50

**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 year under review.



**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
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**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 12 months ended	
	Unaudited	Unaudited	Unaudited	Audited
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Revenue	28,374	N/A	72,841	44,586
Gross profit	9,432	N/A	26,275	17,037
Profit before tax	4,401	N/A	16,668	10,527
Profit after tax	3,559	N/A	12,118	7,796

**Current quarter**

For the current financial quarter ended 31 December 2022, the Group recorded revenue of RM28.37 million which was mainly derived from the IT infrastructure solutions segment and cybersecurity solutions segment.

The Group's IT infrastructure solutions segment and cybersecurity solutions segment contributed RM19.03 million or 67.1% and RM5.84 million or 20.6% of the total revenue for the current financial quarter ended 31 December 2022, respectively. The Group's Malaysia operation remained as the major revenue contributor, contributing approximately 92.5% of the Group's total revenue for the current financial quarter ended 31 December 2022.

The Group also registered profit before tax and profit after tax of RM4.40 million and RM3.56 million, respectively, in the current financial quarter under review.

There are no comparative figures for the corresponding preceding quarter's results as this is the fourth interim financial report being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

**Cumulative quarter (12 months)**

For the 12-months financial year ended 31 December 2022, the Group's revenue amounted to RM72.84 million as compared to a revenue of RM44.59 million in the previous financial year, which represents an increase of 63.4%.

The increase in revenue was mainly attributable to the higher contribution from the Group's IT infrastructure solutions segment from RM33.02 million for the previous financial year to RM45.90 million for the 12-months financial year ended 31 December 2022. Further, revenue from the cybersecurity solutions segment has increased from RM1.51 million for the previous financial year to RM16.56 million for the 12-months financial year ended 31 December 2022. This was mainly driven by the completion and delivery of the Group's IT infrastructure solutions and cybersecurity solutions projects. 64.2% and 85.1% of the Group's total revenue for the previous financial year and 12-months financial year ended 31 December 2022 respectively were derived from the Group's Malaysia operation.

As a results the Group's profit before tax and profit after tax have increased from RM10.53 million and RM7.80 million respectively for the previous financial year to RM16.67 million and RM12.12 million respectively for the 12-months financial year ended 31 December 2022.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**

**B2 Comparison with immediate preceding quarter's results**

	Unaudited Current Quarter	Unaudited Preceding Quarter	Variance	
	31 December 2022 RM'000	30 September 2022 RM'000	RM'000	%
Revenue	28,374	28,523	(149)	(0.52)
Gross profit	9,432	11,311	(1,879)	(16.61)
Profit before tax	4,401	9,886	(5,485)	(55.48)
Profit after tax	3,559	7,036	(3,477)	(49.42)

The Group revenue of RM28.37 million is slightly lower than the immediate preceding quarter of RM28.52 million mainly attributable to the higher completion and delivery of the Group's IT infrastructure solutions and cybersecurity solutions projects in the immediate preceding quarter.

In the current quarter, the Group recorded a profit before taxation of RM4.40 million as compared to RM9.89 million in preceding quarter. This is mainly due to higher administrative expenses and other operating expenses as well as impairment losses on financial assets amounting to RM1.90 million recorded during the current quarter.

**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.

To stay competitive, government and corporations are utilising these technologies as part of their business operations in the wake of globalisation and to improve efficiency. As disclosed in the Prospectus, the Government of Malaysia intends to accelerate the adoption of big data through the National Big Data Analytics Framework, which would spur demand for big data in all sectors, catalyse the adoption of big data in the public sector and build the big data industry in Malaysia. Further, the National Fibreisation and Connectivity Plan 2019-2023 will provide the robust infrastructure needed to support these technologies. The People's Republic of China ("PRC") 14th Five-Year Plan (2021-2025) outlines the focus on building a digital PRC. It is expected that the digital economy will be the main driver of economic growth by 2027, accounting for almost half of national GDP.

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.

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Despite the challenging environment posed by the gradual recovery from Covid-19 pandemic, inflationary pressures from higher input prices, and 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**

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>Unaudited 31 December 2022 RM'000</b>	<b>Unaudited 31 December 2021<sup>(1)</sup> RM'000</b>	<b>Unaudited 31 December 2022 RM'000</b>	<b>Audited 31 December 2021 RM'000</b>
<b>Income tax expense:</b>				
Current financial year	(842)	N/A	(4,550)	(2,866)
Underprovision in prior years	-	N/A	-	(24)
	-	N/A	-	(2,890)
<b>Movement in deferred tax:</b>				
Origination and reversal of temporary differences	-	N/A	-	158
Overprovision in prior years	-	N/A	-	1
	-	N/A	-	159
<b>Total tax expense</b>	(842)	N/A	(4,550)	(2,731)
Effective tax rate <sup>(2)</sup>	19.1%	N/A	27.3%	25.9%

**Notes:**

- (1) This is the fourth 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 for the current quarter was lower than the statutory tax rate due to overprovision of tax in previous quarter while cumulative quarter was above the statutory tax rate due to certain expenses which are not deductible for tax purposes.

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**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.

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**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 8 February 2023, RM13.32 million of the total proceeds raised has been utilised as follows:

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance unutilised RM'000</b>	<b>Estimated time frame for utilisation upon Listing</b>
Setting up of technology centre and disaster recovery centre	8,460	(5,640)	2,820	Within 9 months
Enhancement of Network Operation Centre (NOC)	4,300	(2,825)	1,475	Within 8 months
Setting of a Security Operation Centre (SOC)	4,700	(826)	3,874	Within 18 months
Business expansion	2,220	(25)	2,195	Within 12 months
Estimated listing expenses	4,000	(4,000)	-	Within 3 months
	<b>23,680</b>	<b>(13,316)</b>	<b>10,364</b>	

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

**B6 Borrowings**

The Group does not have borrowings as at 31 December 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**

In respect of the financial year ended 31 December 2022, the Company had on 15 February 2023 declared an interim single tier tax-exempt dividend of 0.83 sen per ordinary share, amounting to approximately RM3 million. The dividend will be paid on 14 March 2023 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 2 March 2023.

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**B10 Earnings per share**

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

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>31 December 2022</b>	<b>31 December 2021 <sup>(1)</sup></b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Profit attributable to owners of the Company (RM'000)	3,559	N/A	12,118	7,796
Weighted average number of Shares in issue ('000)	223,686	N/A	223,686	2,490
Basic earnings per Share (sen) <sup>(2)</sup>	1.59	N/A	5.42	313.09
Diluted earnings per Share (sen) <sup>(2)</sup>	1.59	N/A	5.42	313.09

**Notes:**

- (1) This is the fourth 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 year under review.

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**B11 Profit before taxation**

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>Unaudited 31 December 2022 RM'000</b>	<b>Unaudited 31 December 2021<sup>(1)</sup> RM'000</b>	<b>Unaudited 31 December 2022 RM'000</b>	<b>Audited 31 December 2021 RM'000</b>
Profit before tax is arrived at after charging/(crediting):				
Allowance for impairment losses on trade receivables	1,898	N/A	1,898	47
Writeback of impairment losses on inventories	(21)	N/A	(2)	-
Depreciation of equipment	181	N/A	234	78
Depreciation of right-of-use assets	41	N/A	148	122
Interest expense on lease liabilities	6	N/A	15	13
Interest income	(81)	N/A	(101)	(44)
Unrealised loss on foreign exchange	740	N/A	541	-
Property, plant and equipment written off	5	N/A	5	-
Gain on disposal of equipment	-	N/A	(1)	(1)
Interest expense on financial liabilities that are not at fair value through profit or loss	-	N/A	-	3
Inventories written down	-	N/A	-	62
Gain on modification of leases	-	N/A	-	(2)
Reversal of impairment loss on trade receivables	-	N/A	-	(13)

**Note:**

- (1) This is the fourth 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  
15 February 2023