



INFOLINE TEC GROUP BERHAD

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

INTERIM FINANCIAL REPORT

SECOND QUARTER ENDED 30 JUNE 2023

15 AUGUST 2023

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 6 MONTHS ENDED	
	CURRENT QUARTER 30 June 2023 RM'000	PRECEDING QUARTER 30 June 2022 RM'000	CURRENT YEAR TO DATE 30 June 2023 RM'000	PRECEDING YEAR TO DATE 30 June 2022 RM'000
Revenue	16,177	7,081	28,711	15,944
Cost of sales	(8,766)	(4,745)	(15,580)	(10,412)
Gross profit	7,411	2,336	13,131	5,532
Other income	365	397	842	421
Administrative expenses	(2,933)	(1,990)	(5,049)	(3,352)
Other expenses	(867)	(111)	(1,862)	(214)
Finance costs	(8)	(3)	(12)	(6)
Profit before tax	3,968	629	7,050	2,381
Income tax expense	(270)	(423)	(904)	(858)
Profit after tax attributable to the owners of the Company	3,698	206	6,146	1,523
Other comprehensive income				
- Foreign currency translation differences	(165)	(36)	(93)	29
Total comprehensive income for the period attributable to the owners of the Company	3,533	170	6,053	1,552
Basic earnings per share (sen)	1.02	0.07	1.69	0.53
Diluted earnings per share (sen)	1.02	0.07	1.69	0.53

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	UNAUDITED AS AT 30 JUNE 2023 RM'000	AUDITED AS AT 31 December 2022 RM'000
ASSETS		
Non-current assets		
Equipment	10,197	9,091
Intangible assets	4,889	-
Right-of-use assets	681	308
Deferred tax assets	803	803
	16,570	10,202
Current assets		
Inventories	254	358
Contract cost assets	3,035	4,573
Trade receivables	11,543	16,603
Other receivables, deposits and prepayments	1,817	654
Current tax assets	54	167
Short-term investments	9,350	13,000
Cash and bank balances	24,708	24,884
	50,761	60,239
Total assets	67,331	70,441
EQUITY AND LIABILITIES		
Equity		
Share capital	36,935	36,935
Retained profits	28,195	25,064
Reserves	166	259
Merger Reserves	(11,972)	(11,972)
Total equity	53,324	50,286
Non-current liabilities		
Contract liabilities	952	1,401
Lease liabilities	384	181
	1,336	1,582
Current Liabilities		
Trade payables	7,075	10,700
Other payables and accruals	1,706	1,636
Contract liabilities	3,155	4,445
Lease liabilities	308	135
Current tax liabilities	427	1,657
	12,671	18,573
Total liabilities	14,007	20,155
Total equity and liabilities	67,331	70,441
Net assets per share attributable to owners of the Company (RM)⁽²⁾	0.15	0.14

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

Notes:

- (1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.
- (2) Net assets per share is calculated based on 363,229,120 Shares in issue after the Acquisitions and Public Issue.

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

			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 2023	36,935	-	105	154	(11,972)	25,064	50,286
Contributions by and distributions to owners of the Company:							
Dividend paid	-	-	-	-	-	(3,015)	(3,015)
Total transaction with owners	-	-	-	-	-	(3,015)	(3,015)
Profit for the financial period	-	-	-	-	-	6,146	6,146
Foreign exchange translation	-	-	(93)	-	-	-	(93)
Total comprehensive income	-	-	(93)	-	-	6,146	6,053
Balance as at 30 June 2023	36,935	-	12	154	(11,972)	28,195	53,324

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023
(CONT'D)**

	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	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	14,461	(2,490)	-	-	-	-	11,971
Dividend paid	-	-	-	-	-	(2,016)	(2,016)
Total transaction with owners	14,461	-	-	-	-	(2,016)	9,955
Profit for the financial year	-	-	-	-	-	1,523	1,523
Foreign exchange translation	-	-	29	-	-	-	29
Total comprehensive income	-	-	29	-	-	1,523	1,552
Balance as at 30 June 2022	14,461	-	333	154	(11,972)	14,469	17,445

Note:

* Denote RM25.

The above unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL
PERIOD ENDED 30 JUNE 2023**

	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30 June 2023	30 June 2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,050	2,381
Adjustments for:		
Allowance for impairment losses on inventories	115	24
Depreciation of equipment	922	38
Depreciation of right-of-use assets	138	65
Amortisation of intangible assets	177	-
Gain on disposal of equipment	-	(1)
Interest expense on lease liabilities	12	6
Interest income	(138)	(16)
Unrealised gain on foreign exchange	(601)	(145)
Operating profit before working capital changes	7,675	2,352
Increase in inventories	(12)	(117)
Decrease/(Increase) in trade and other receivables	4,044	(12,777)
(Decrease)/Increase in trade and other payables	(3,579)	2,971
Decrease/(Increase) in contract cost assets	1,534	(13)
(Decrease)/Increase in contract liabilities	(1,749)	9,407
Cash from operations	7,913	1,823
Income tax paid	(2,417)	(1,298)
Income tax refund	46	-
Interest paid	(12)	(6)
Interest received	53	16
NET CASH FROM OPERATING ACTIVITIES	5,583	535
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of equipment	(2,022)	(3,854)
Purchase of intangible assets	(5,065)	-
Placement of deposit with tenure more than 3 months	-	(18)
Proceed from disposal of equipment	-	67
Withdrawal of deposits pledged to licensed bank	-	977
NET CASH FOR INVESTING ACTIVITIES	(7,087)	(2,828)

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)

	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30 June 2023	30 June 2022
	RM'000	RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(3,015)	(2,016)
Repayment of lease liabilities	(136)	(64)
NET CASH FOR FINANCING ACTIVITIES	(3,151)	(2,080)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,655)	(4,373)
EFFECT OF FOREIGN EXCHANGE TRANSLATION	829	187
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	37,884	11,432
CASH AND CASH EQUIVALENTS AT END OF PERIOD	34,058	7,246

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial report are consistent with the audited financial statements of the Group for the financial year ended 31 December 2022.

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 MFRSs, amendments/improvements to MFRSs and new IC Interpretations that are mandatory for the current financial period:

MFRSs and/or IC Interpretations

Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020
MFRS 117: Insurance Contracts
Amendments to MFRS 17: Insurance Contracts
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

A1 Basis of preparation (continued)

Amendments/Improvements to MFRSs

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

		Effective for financial periods beginning on or after
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
MFRS 101	Non-current Liabilities with Covenants	1 January 2024

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

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2022 was not qualified.

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.

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

A6 Debt and equity securities

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

A7 Dividend paid

No dividend was paid during the quarter under review.

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

A8 Segment information

The unaudited segment information for the financial period ended 30 June 2023 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 RM'000	Elimination RM'000	Total RM'000
30 June 2023							
Revenue:							
Revenue from external customers	19,081	1,488	6,671	1,471	-	-	-
Inter-segment revenue	-	-	202	86	2,962	(3,250)	-
	<u>19,081</u>	<u>1,488</u>	<u>6,873</u>	<u>1,557</u>	<u>2,962</u>	<u>(3,250)</u>	<u>28,711</u>
Segment profit	7,562	624	4,723	222	-	-	13,131
Other income							842
Administrative expenses							(5,049)
Other expenses							(1,862)
Finance costs							(12)
Income tax expense							(904)
Profit for the financial period							<u>6,146</u>

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

A8 Segment information (continued)

The unaudited segment information for the financial period ended 30 June 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 June 2022						
Revenue:						
Revenue from external customers	11,885	665	2,940	454	-	15,944
Inter-segment revenue	-	-	83	-	(83)	-
	<u>11,885</u>	<u>665</u>	<u>3,023</u>	<u>454</u>	<u>(83)</u>	<u>15,944</u>
Segment profit	4,339	221	838	134	-	5,532
Other income						421
Administrative expenses						(3,352)
Other expenses						(214)
Finance costs						(6)
Income tax expense						(858)
Profit for the financial period						<u>1,523</u>

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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

On 15 August 2023, the Company had entered into a conditional share sale agreement for the acquisition of 100% equity interest in Inline Technologies Pte Ltd, for a total cash consideration of up to SGD2.65 million (equivalent to approximately RM9.01 million based on the average rate of SGD1.00: RM3.40 as at 14 August 2023 as extracted from Bank Negara Malaysia's website).

A11 Changes in the composition of the Group

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

There were no capital commitments in the Group for the quarter under review.

A14 Related party transactions

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

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Rental expenses paid to Director of the Company	13	12	26	25
Rental expenses paid to company controlled by Director of the Company	13	13	26	26
Rental expenses paid to related party of the Company	12	4	24	4

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.

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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 6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Revenue	16,177	7,081	28,711	15,944
Gross profit	7,411	2,336	13,131	5,532
Profit before tax	3,968	629	7,050	2,381
Profit after tax	3,698	206	6,146	1,523

Current quarter

The Group reported a higher revenue of RM16.18 million during the quarter under review as compared to the previous year's corresponding quarter of RM7.08 million, which represented an increase of RM9.10 million or 129%. The increase in revenue was mainly attributable to the delivery of new and completion of the Group's IT infrastructure solutions projects, increase in new orders from managed IT services and trading of ancillary hardware and software for the current financial quarter ended 30 June 2023 which saw increases of 98%, 195% and 526% respectively.

In tandem with the increase in revenue from the managed IT services segment which contributed higher profit margin, the Group recorded a better gross profit margin of 46% during the quarter under review compared to 33% in the same quarter last year.

During the current financial quarter, the Group also recorded higher administrative expenses, mainly due to expenses incurred for legal and professional fees following the listing of the Group, higher travelling expenses, staff salaries and related benefits, withholding tax, depreciation and amortization due to business expansion.

Nevertheless, the Group recorded a profit before tax of approximately RM3.97 million, representing a fivefold increase as compared to RM0.63 million in the previous year's corresponding quarter.

Cumulative quarter (6 months)

The Group recorded revenue of RM28.71 million for the 6-months financial period ended 30 June 2023 as compared to the previous year's corresponding period of RM15.94 million, representing an increase of RM12.77 million or 80%. The increase in revenue was mainly attributable to the delivery of new and completion of the Group's IT infrastructure solutions projects, as well as increase in new orders from managed IT services and trading of ancillary hardware and software for the current financial period ended 30 June 2023 which saw increases of 61%, 127% and 224% respectively.

Similar to the results for the second quarter of the year, the Group recorded a better gross profit margin of 46% during the quarter under review compared to 35% in the same period last year as a result of higher revenue from the managed IT services segment which contributed higher profit margin.

The Group also recorded higher administrative expenses during the first half of 2023 compared to the same financial period last year, mainly due to expenses incurred for legal and professional fees following the listing of the Company, higher travelling expenses, staff salaries and related benefits, withholding tax, depreciation and amortization due to business expansion.

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

B1 Review of performance (continued)

Cumulative quarter (6 months) (continued)

With the substantial rise in gross profit that adequately surpassed the escalated administrative and other expenses, the Group achieved a higher profit before tax of approximately RM7.05 million during the financial period under review, in contrast to RM2.38 million during the same period last year.

B2 Comparison with immediate preceding quarter's results

	Unaudited Current Quarter	Unaudited Preceding Quarter	Variance	
	30 June 2023 RM'000	31 March 2023 RM'000	RM'000	%
Revenue	16,177	12,533	3,644	29.08
Gross profit	7,411	5,719	1,692	29.59
Profit before tax	3,968	3,082	886	28.75
Profit after tax	3,698	2,448	1,250	51.06

The Group recorded a higher revenue of RM16.18 million during the quarter under review as compared to RM12.53 million recorded in the immediate preceding quarter ended 31 March 2023. This was mainly due to increase in new orders from managed IT services and trading of ancillary hardware and software segments in the current quarter under review.

In tandem with the higher revenue recognised during the current quarter under review, the Group also recorded higher administrative expenses compared to the immediate preceding quarter ended 31 March 2023 following the Group's continuous business expansion.

Consequently, the Group reported a higher profit before tax of RM3.97 million during the current quarter ended 30 June 2023 as compared to RM3.08 million in the preceding quarter ended 31 March 2023.

B3 Prospects

The outlook for the IT infrastructure and cybersecurity sector remains robust due to demand for IT solutions to support the digital transformations initiative of organisations.

The Group's customer base in the People's Republic of China ("PRC") has expanded beyond Shenzhen (where the Group is based in in the PRC) to other parts of PRC such as Beijing, Shanghai and Fujian. In addition, the Group has also secured new projects from new customers in Asia Pacific countries including India, Singapore and Japan.

Looking ahead, the Board remains optimistic about the prospects of the industry and the Group. The Board is confident in the management's ability to take advantage of the promising market possibilities by leveraging on our established track record and the strong technical capabilities of our team to continue thriving and creating greater performance and added value for all our stakeholders.

Barring any unforeseen circumstances, the Group expects to continue to register growth in its sales, market share and profitability.

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

B4 Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Income tax expense:				
Current financial period	(270)	(423)	(904)	(858)
Underprovision in prior years	-	-	-	-
	<u>(270)</u>	<u>(423)</u>	<u>(904)</u>	<u>(858)</u>
Movement in deferred tax:				
Origination and reversal of temporary differences	-	-	-	-
Overprovision in prior years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total tax expense	(270)	(423)	(904)	(858)
Effective tax rate ⁽¹⁾	6.8%	67.2%	12.8%	36.0%

Note:

- (1) The effective tax rate for the current financial period was lower than the statutory tax rate due to the setting off of capital allowances arising from the higher qualifying capital expenditure (office equipment, renovation and intangible assets) incurred by a subsidiary.

B5 Status of corporate proposals and utilisation of proceeds

- (a) 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.

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 August 2023, RM21.82 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	(8,460)	-	Within 9 months
Enhancement of Network Operation Centre (NOC)	4,300	(4,300)	-	Within 8 months
Setting of a Security Operation Centre (SOC)	4,700	(4,700)	-	Within 18 months
Business expansion	2,220	(355)	1,865	Within 12 months ⁽¹⁾
Estimated listing expenses	4,000	(4,000)	-	Within 3 months
	<u>23,680</u>	<u>(21,815)</u>	<u>1,865</u>	

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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

Note:

- (1) On 7 June 2023, the Company announced to extend the timeframe for utilisation of IPO proceeds of RM2.22 million allocated for business expansion from 12 July 2023 to 1 March 2024.

- (b) On 15 August 2023, the Company had entered into a conditional share sale agreement for the acquisition of 100% equity interest in Inline Technologies Pte Ltd, for a total cash consideration of up to SGD2.65 million (equivalent to approximately RM9.01 million based on the average rate of SGD1.00: RM3.40 as at 14 August 2023 as extracted from Bank Negara Malaysia's website). The proposed acquisition is expected to be completed in the third quarter of 2023.

B6 Borrowings

The Group did not have any borrowings as at 30 June 2023.

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

On 19 June 2023, the Company declared a final single-tier dividend of RM1.38 sen per ordinary share amounting to RM5,012,562 in respect of the financial year ended 31 December 2022, which was payable on 14 July 2023 to shareholders whose names appeared in the record of depositors on 5 July 2023.

No interim dividend has been recommended for the current financial quarter under review.

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

**INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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 6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Profit attributable to owners of the Company (RM'000)	3,698	206	6,146	1,523
Weighted average number of Shares in issue ('000)	363,229	289,229	363,229	289,229
Basic earnings per Share (sen) ⁽¹⁾	1.02	0.07	1.69	0.53
Diluted earnings per Share (sen) ⁽¹⁾	1.02	0.07	1.69	0.53

Note:

(1) 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 SECOND QUARTER ENDED 30 JUNE 2023**

B11 Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Profit before tax is arrived at after charging/(crediting):				
Allowance for impairment losses on inventories	-	13	115	24
Depreciation of equipment	475	18	922	38
Depreciation of right-of-use assets	94	34	138	65
Amortisation of intangible assets	175	-	177	-
Interest expense on lease liabilities	8	3	12	6
Interest income	(67)	(9)	(138)	(16)
Unrealised gain on foreign exchange	(234)	(135)	(601)	(145)
Gain on disposal of equipment	-	(1)	-	(1)

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 August 2023