



CLOUDARON GROUP BERHAD
(Registration No. 201701016516 (1230681-M))
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR
ENDED 30 SEPTEMBER 2022**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY CLOUDARON GROUP BERHAD (“CLOUDARON” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

CLOUDARON GROUP BERHAD
(Registration No. 201701016516 (1230681-M))

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

| | As at 30.09.2022 Unaudited RM'000 | As at 31.03.2022 Audited RM'000 |
|---|---|---------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Plant and equipment | 78 | 78 |
| Intangible assets | 66,741 | 65,418 |
| Right-of-use assets | 46 | 65 |
| Deferred tax assets | - | - |
| Trade and other receivables | 5,420 | 5,420 |
| Total non-current assets | 72,285 | 70,981 |
| Current assets | | |
| Contract assets | 1,960 | 2,049 |
| Trade and other receivables | 25,104 | 36,196 |
| Tax recoverable | 806 | 623 |
| Cash and bank balances | 4,236 | 4,531 |
| Total current assets | 32,106 | 43,399 |
| Total assets | 104,391 | 114,380 |
| LIABILITIES AND EQUITY | | |
| Equity | | |
| Share capital | 52,643 | 52,643 |
| Merger reserve | (7,496) | (7,496) |
| Translation reserve | 3,268 | 1,292 |
| Retained earnings | 31,573 | 29,927 |
| | 79,988 | 76,366 |
| Non-controlling interest | 1,172 | 1,304 |
| Total equity | 81,160 | 77,670 |
| Non-current liabilities | | |
| Lease liabilities | 40 | 40 |
| Borrowing | 4,743 | 4,743 |
| Deferred tax liabilities | 278 | 263 |
| Total non-current liabilities | 5,061 | 5,046 |
| Current liabilities | | |
| Contract liabilities | 3,516 | 4,202 |
| Trade and other payables | 13,477 | 25,215 |
| Lease liabilities | 9 | 28 |
| Borrowing | 1,093 | 2,120 |
| Tax payable | 75 | 99 |
| Total current liabilities | 18,170 | 31,664 |
| Total liabilities and equity | 104,391 | 114,380 |
| Net assets per share (sen)⁽²⁾ | 9.76 | 9.34 |

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(Registration No. 201701016516 (1230681-M))

Notes:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 of the Company and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per share is calculated based on the Company's number of ordinary shares in issue of 831,188,488 as at the end of the financial reporting period.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2022⁽¹⁾

| | Individual 6 months ended | | Cumulative 6 months ended | |
|--|---------------------------|--------------|---------------------------|--------------|
| | 30.09.2022 | 30.09.2021 | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 45,296 | 23,921 | 45,296 | 23,921 |
| Cost of sales | (38,213) | (17,694) | (38,213) | (17,694) |
| Gross profit | 7,083 | 6,227 | 7,083 | 6,227 |
| Other income | 37 | 264 | 37 | 264 |
| Administrative expenses | (4,758) | (5,094) | (4,758) | (5,094) |
| Selling and distribution expenses | (771) | (1,079) | (771) | (1,079) |
| Impairment loss on financial assets | (1) | (5) | (1) | (5) |
| Finance costs | (157) | (73) | (157) | (73) |
| Profit before taxation ("PBT") | 1,433 | 240 | 1,433 | 240 |
| Taxation | 25 | 8 | 25 | 8 |
| Net profit for the financial period | 1,458 | 248 | 1,458 | 248 |
| Other comprehensive income | | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | | |
| Exchange translation differences for foreign operations | 1,976 | (40) | 1,976 | (40) |
| Total comprehensive income for the financial period | 3,434 | 208 | 3,434 | 208 |
| Net profit attributable to: | | | | |
| Owners of the Company | 1,458 | 248 | 1,458 | 248 |
| Non-controlling interest | - | - | - | - |
| Net profit for the financial period | 1,458 | 248 | 1,458 | 248 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 3,434 | 208 | 3,434 | 208 |
| Non-controlling interest | - | - | - | - |
| Total comprehensive income for the financial period | 3,434 | 208 | 3,434 | 208 |
| Earnings per ordinary share ("EPS") (sen): | | | | |
| - Basic | 0.18 | 0.03 | 0.18 | 0.03 |
| - Diluted | 0.18 | 0.03 | 0.18 | 0.03 |

CLOUDARON GROUP BERHAD

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Note:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 of the Company and the accompanying explanatory notes attached to this interim financial report.*

CLOUDARON GROUP BERHAD

(Registration No. 201701016516 (1230681-M))

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2022⁽¹⁾

| | ← Non-distributable → | | | Distributable | | | | |
|--|-----------------------|-------------------------|--------------------------|-------------------------------|-----------------------------|--|--------------------------|------------------------|
| | Note | Share capital RM'000 | Merger reserve RM'000 | Translation reserve RM'000 | Retained earnings RM'000 | Equity distributable to owners of the parent RM'000 | Non-Controlling interest | Total equity RM'000 |
| Balance at 1 April 2022 | | 52,643 | (7,496) | 1,292 | 29,927 | 76,366 | 1,304 | 77,670 |
| Total comprehensive income for the financial period | | | | | | | | |
| Profit for the financial period | | - | - | - | 1,458 | 1,458 | - | 1,458 |
| Other comprehensive income for the financial period | | - | - | 1,976 | - | 1,976 | - | 1,976 |
| Total | | - | - | 1,976 | 1,458 | 3,434 | - | 3,434 |
| Transaction with owners, recognised directly in equity | | - | - | - | 188 | 188 | (132) | 56 |
| Balance at 30 September 2022 | | 52,643 | (7,496) | 3,268 | 31,573 | 79,988 | 1,172 | 81,160 |

CLOUDARON GROUP BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2022⁽¹⁾ (CONT'D)

| | ← Non-distributable → | | | Distributable | | Non-Controlling interest | Total equity | |
|--|-----------------------|-------------------------|--------------------------|-------------------------------|-----------------------------|--------------------------|--------------|--|
| | Note | Share capital RM'000 | Merger reserve RM'000 | Translation reserve RM'000 | Retained earnings RM'000 | | | Equity distributable to owners of the parent RM'000 |
| Balance at 1 April 2021 | | 52,643 | (7,496) | 1,337 | 29,508 | 75,992 | 1,282 | 77,274 |
| Total comprehensive income for the financial period | | | | | | | | |
| Profit for the financial period | | - | - | - | 248 | 248 | - | 248 |
| Other comprehensive income for the financial period | | - | - | (40) | - | (40) | - | (40) |
| Total | | - | - | (40) | 248 | 208 | - | 208 |
| Transaction with owners, recognised directly in equity | | - | - | - | 194 | 194 | (194) | - |
| Balance at 30 September 2021 | | 52,643 | (7,496) | 1,297 | 29,950 | 76,394 | 1,088 | 77,482 |

Note:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 of the Company and the accompanying explanatory notes attached to this interim financial report.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2022⁽¹⁾

| | 6 months ended | |
|--|----------------|------------|
| | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| PBT | 1,433 | 240 |
| Adjustments for: | | |
| Amortisation of intangible assets | 411 | 331 |
| Depreciation of plant and equipment | 28 | 44 |
| Depreciation of right-of-use assets | 19 | 16 |
| Bad debts written off | 3 | 16 |
| Loss on disposal of plant and equipment | 5 | - |
| Lease interest expense | 1 | _ (2) |
| Interest income | (3) | _ (2) |
| Interest expense | 157 | 73 |
| Operating profit before working capital changes | 2,054 | 720 |
| Changes in working capital | | |
| Contract assets | 260 | 167 |
| Trade and other receivables | 11,092 | 1,920 |
| Contract liabilities | (857) | (272) |
| Trade and other payables | (11,402) | (6,944) |
| Cash (used in)/generated from operations | 1,147 | (4,409) |
| Income tax paid | (273) | (397) |
| Interest received | 3 | _ (2) |
| Net cash (used in)/generated from operating activities | 877 | (4,806) |
| Cash flows from investing activities | | |
| Proceeds from disposal of plant and equipment | 5 | - |
| Purchase of plant and equipment | (26) | (12) |
| Software development expenditure | - | (3,086) |
| Net cash used in investing activities | (21) | (3,098) |
| Cash flows from financing activities | | |
| Repayment of trade financing loan | - | (654) |
| Repayment of trade term loan | (1,018) | (506) |
| Net changes in amount due to Directors | (336) | (51) |
| Payment of lease liabilities | (20) | (15) |
| Interest paid | (157) | (99) |
| Net cash generated from/(used in) financing activities | (1,531) | (1,325) |

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2022⁽¹⁾ (CONT'D)

| | 6 months ended | |
|---|---------------------|---------------------|
| | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 |
| Net increase/(decrease) in cash and cash equivalents | (675) | (9,229) |
| Effect of exchange translation differences on cash and cash equivalents | 380 | 125 |
| Cash and cash equivalents at beginning of the financial period | <u>4,531</u> | <u>14,378</u> |
| Cash and cash equivalents at end of the financial period | <u><u>4,236</u></u> | <u><u>5,274</u></u> |

Notes:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Report and Financial Statements for the financial year ended 31 March 2022 of the Company and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Less than RM1,000.*

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2022

A1. BASIS OF PREPARATION

The interim financial statements of Cloudaron and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting.

This is the interim financial report on the consolidated results for the first half-year ended 30 September 2022 announced by the Company in compliance with Rule 6.12 of the LEAP Market Listing Requirements of Bursa Securities (“**Listing Requirements**”).

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited consolidated financial statements for the financial year ended 31 March 2022 except for the following:

| | Effective date |
|---|-----------------------|
| Annual Improvements to MFRS Standards 2018–2020 | 1 January 2022 |
| • Amendments to MFRS 1 | |
| • Amendments to MFRS 9 | |
| • Amendments to Illustrative Examples accompanying MFRS 16 | |
| • Amendments to MFRS 141 | |
| Amendments to MFRS 3 Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137 Onerous Contracts–Cost of Fulfilling a Contract | 1 January 2022 |

The initial application of the above-mentioned standards and amendments do not have any material impacts to the current and prior period financial statements upon their first adoption.

The Group has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by Malaysian Accounting Standard Board but are not yet effective for the Group:

| MFRSs | Effective date |
|---|-----------------------|
| MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendment to MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 – Comparative Information | 1 January 2023 |
| Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current | 1 January 2023 |
| Amendments to MFRS 101 Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 Definition of Accounting Estimates | 1 January 2023 |

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

| MFRSs | Effective date |
|--|-------------------------------|
| Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to MFRS 16 Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |

A3. SEASONAL OR CYCLICAL FACTORS

Based on previous years' record, the revenues are generally stronger for the second half of the financial year due to clients utilising the remainder of their annual IT budgets.

A4. UNUSUAL ITEMS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in accounting estimates in the current financial period.

A6. DEBT AND EQUITY SECURITIES

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period.

A7. SEGMENTAL INFORMATION

The Group's revenue based on its activities is presented as follows:

| | Individual 6 months ended | | Cumulative 6 months ended | |
|-------------------------|----------------------------------|-------------------|----------------------------------|-------------------|
| | 30.09.2022 | 30.09.2021 | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Enterprise solutions | 11,448 | 10,463 | 11,448 | 10,463 |
| Infrastructure services | 1,305 | 1,867 | 1,305 | 1,867 |
| Digital platforms | 32,543 | 11,591 | 32,543 | 11,591 |
| Total | 45,296 | 23,921 | 45,296 | 23,921 |

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

The Group's revenue based on geographical location is presented as follows:

| | Individual 6 months ended | | Cumulative 6 months ended | |
|---------------|---------------------------|---------------|---------------------------|---------------|
| | 30.09.2022 | 30.09.2021 | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Singapore | 20,285 | 17,298 | 20,285 | 17,298 |
| Malaysia | 23,864 | 5,343 | 23,864 | 5,343 |
| North America | 1,147 | 1,280 | 1,147 | 1,280 |
| Total | 45,296 | 23,921 | 45,296 | 23,921 |

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of the current financial period.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current financial period.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets and contingent liabilities as at the date of this interim financial report.

A11. CAPITAL COMMITMENTS

There were no material capital commitments in respect of property, plant and equipment as at the end of the current financial period.

B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Group recorded a revenue of RM45.30 million for the current financial period, representing an increase of RM21.38 million or 89.3% compared to RM23.92 million in the corresponding period of the previous year.

The revenue of the Group can be analysed as follows:

- (i) enterprise solutions business recorded an increase in revenue by approximately RM1.00 million or 9.56%, mainly due to higher projects secured during the current financial period;
- (ii) infrastructure services business recorded a decrease in revenue by approximately RM0.56 million or 29.9%, was mainly due to the loss of some recurring business and no new projects secured during the current financial period; and
- (iii) digital platform business recorded an increase in revenue by RM20.95 million or 180.7%, mainly due to securing new Enterprise Buy Now Pay Later (eBNPL) projects during the current financial period.

The Group recorded a profit before taxation ("PBT") of RM1.43 million for the current financial period, representing an increase of RM1.19 million or 495.8% compared to RM0.24 million in the corresponding period of the previous year. The increase in PBT was mainly due to higher revenue.

B2. PROSPECTS

In line with the Group's overall strategy, the Group continues to expand its digital platform services unit, especially the growing eBNPL business. These will support its shift to higher growth business

The outlook for 2022 will lean toward optimism as the easing of Covid-19 restrictions around the region for much needed to boost operation and business activities. As such, the Board of Directors of the Company ("Board") is of the view that the financial performance of the Group is optimistic for the financial year ending 31 March 2023.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

C OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this financial report.

C2. MATERIAL LITIGATION

There are no material litigations pending as at the date of this financial report.

C3. DIVIDENDS

The Board does not propose any interim dividend payment for the current financial period.

C4. EARNINGS PER SHARE

(i) The basic earnings per share for the current financial period and financial year-to-date are computed as follows:

| | Individual 6 months ended | | Cumulative 6 months ended | |
|--|---------------------------|------------|---------------------------|------------|
| | 30.09.2022 | 30.09.2021 | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit attributable to owners of the Company | 1,458 | 248 | 1,458 | 248 |
| Weighted average number of ordinary shares in issue ('000) | 831,188 | 831,188 | 831,188 | 831,188 |
| Basic earnings per share (sen) | 0.18 | 0.03 | 0.18 | 0.03 |

(ii) Diluted earnings per share vis the same as the basic earnings per share as there were no potential dilutive instruments.