



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

**FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR
ENDED 30 SEPTEMBER 2024**

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 2024⁽¹⁾

	As at 30.09.2024 Unaudited RM'000	As at 31.03.2024 Audited RM'000
ASSETS		
Non-current assets		
Plant and equipment	40	62
Intangible assets	31,601	34,923
Right-of-use assets	18	22
Total non-current assets	31,659	35,007
Current assets		
Contract assets	997	4,858
Trade and other receivables	34,644	56,490
Tax recoverable	593	453
Cash and bank balances	7,389	7,079
Total current assets	43,623	68,880
Total assets	75,282	103,887
LIABILITIES AND EQUITY		
Equity		
Share capital	52,643	52,643
Merger reserve	(7,496)	(7,496)
Translation reserve	5,304	6,002
Retained earnings	(17,473)	11,436
	32,978	62,585
Non-controlling interest	1,357	1,626
Total equity	34,335	64,211
Non-current liabilities		
Lease liabilities	19	18
Borrowing	338	338
Contract liabilities	82	89
Deferred tax liabilities	290	273
Total non-current liabilities	729	718
Current liabilities		
Contract liabilities	3,915	2,912
Trade and other payables	35,098	33,497
Lease liabilities	5	12
Borrowing	1,152	2,271
Tax payable	48	266
Total current liabilities	40,218	38,958
Total liabilities and equity	75,282	103,887

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024⁽¹⁾(CONT'D)

	As at 30.09.2024	As at 31.03.2024
	Unaudited	Audited
	RM'000	RM'000
Net assets per share (sen)⁽²⁾	4.13	7.73

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 2024 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 2024⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	23,235	114,118	23,235	114,118
Cost of sales	(20,100)	(107,662)	(20,100)	(107,662)
Gross profit	3,135	6,456	3,135	6,456
Other income	-	515	-	515
Administrative expenses	(6,451)	(4,686)	(6,451)	(4,686)
Selling and distribution expenses	(968)	(979)	(968)	(979)
Impairment loss on financial assets	(24,741)	(36)	(24,741)	(36)
Finance costs	(59)	(123)	(59)	(123)
Profit / (Loss) before taxation	(29,084)	1,147	(29,084)	1,147
Taxation	31	(492)	31	(492)
Net profit / (Loss) for the financial period	(29,053)	655	(29,053)	655
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Exchange translation differences for foreign operations	(698)	944	(698)	944
Total comprehensive income for the financial period	(29,751)	1,599	(29,751)	1,599
Net profit / (loss) attributable to:				
Owners of the Company	(29,053)	655	(29,053)	655
Non-controlling interest	-	-	-	-
Net profit / (loss) for the financial period	(29,053)	655	(29,053)	655
Total comprehensive income attributable to:				
Owners of the Company	(29,751)	1,599	(29,751)	1,599
Non-controlling interest	-	-	-	-
Total comprehensive income for the financial period	(29,751)	1,599	(29,751)	1,599
Earnings per ordinary share ("EPS") (sen):				
- Basic	(3.50)	0.08	(3.50)	0.08
- Diluted	(3.50)	0.08	(3.50)	0.08

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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 2024 of the Company and the accompanying explanatory notes attached to this interim financial report.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2024⁽¹⁾

	← Non-distributable →			Distributable		Total equity RM'000
	Share capital	Merger reserve	Translation reserve	Retained earnings	Non-controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 April 2024	52,643	(7,496)	6,002	11,436	1,626	64,211
Total comprehensive income for the financial period						
Profit for the financial period	-	-	-	(29,053)	-	(29,053)
Other comprehensive income for the financial period	-	-	(698)	-	-	(698)
Total	-	-	(698)	(29,053)	-	(29,751)
Transactions with owners, recognised directly in equity	-	-	-	144	(269)	(125)
Balance at 30 September 2024	52,643	(7,496)	5,304	(17,473)	1,357	34,335

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)

	← Non-distributable →			Distributable		Total equity RM'000
	Share capital	Merger reserve	Translation reserve	Retained earnings	Non-controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 April 2023	52,643	(7,496)	4,838	28,763	1,513	80,261
Total comprehensive income for the financial period						
Profit for the financial period	-	-	-	655	-	655
Other comprehensive income for the financial period	-	-	944	-	-	944
Total	-	-	944	655	-	1,599
Transactions with owners, recognised directly in equity	-	-	-	162	(107)	55
Balance at 30 September 2023	52,643	(7,496)	5,782	29,580	1,406	81,915

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 2024 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 2024⁽¹⁾

	6 months ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
Cash flows from operating activities		
Profit / (Loss) before taxation	(29,084)	1,147
Adjustments for:		
Amortisation of intangible assets	361	365
Depreciation of property, plant and equipment	20	47
Depreciation of right-of-use assets	4	36
Bad debts written off	-	36
Bad debts recovered	(29)	-
Impairment loss on trade receivables	24,770	-
Impairment of goodwill	-	1,253
Lease interest expenses	-(⁽²⁾)	2
Interest income	(5)	(7)
Interest expense	59	-
Operating profit before working capital changes	<u>(3,904)</u>	<u>2,879</u>
Changes in working capital		
Contract assets/liabilities	4,491	385
Contract costs	367	(149)
Trade and other receivables	(2,895)	(48,077)
Trade and other payables	1,602	56,366
Cash (used in)/generated from operations	<u>(339)</u>	<u>11,404</u>
Income tax refunded	33	83
Income tax paid	(182)	(120)
Interest received	5	7
Interest paid	(60)	(122)
Net cash (used in)/generated from operating activities	<u>(543)</u>	<u>11,252</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(7)
Net cash used in investing activities	<u>-</u>	<u>(7)</u>
Cash flows from financing activities		
Net changes in amount due to Directors	-	(216)
Payments of lease liabilities	(7)	(42)
Repayment of term loans	(1,119)	1,067
Net cash generated from/(used in) financing activities	<u>(1,126)</u>	<u>809</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)

	6 months ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	(1,669)	12,054
Effect of exchange translation differences on cash and cash equivalents	1,979	907
Cash and cash equivalents at beginning of the financial year	7,079	5,597
Cash and cash equivalents at end of the financial year	7,389	18,558

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 2024 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 2024

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 2024 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 2024 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 2024 except for the following:

MFRSs	Effective date
Amendments to MFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements	1 January 2024

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
Amendments to MFRS 121 Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 17 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountabilities: Disclosures	1 January 2027
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

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2024 (CONT'D)

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 estimates in the current financial period.

A6. DEBT AND EQUITY SECURITIES

There was no 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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Enterprise solutions	12,023	10,159	12,023	10,159
Infrastructure services	895	1,139	895	1,139
Digital platforms	10,317	102,820	10,317	102,820
Total	23,235	114,118	23,235	114,118

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

	Individual 6 months ended		Cumulative 6 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Singapore	21,509	110,002	21,509	110,002
Malaysia	937	3,118	937	3,118
North America	789	998	789	998
Total	23,235	114,118	23,235	114,118

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 SEPTEMBER 2024 (CONT'D)

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 RM23.24 million for the current financial period, reflecting a decline of RM90.88 million or 79.64% compared to RM114.12 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 RM1.86 million or 18.3%, primarily attributed to securing additional projects during the current financial period;
- (ii) infrastructure services business recorded a decrease in revenue by approximately RM0.24 million or 21.1%, was mainly due to the loss of some recurring business during the current financial period; and
- (iii) The digital platform business recorded a decrease in revenue by RM92.50 million or 90.0%, primarily due to no new projects secured during the current financial period.

The Group recorded an exceptional loss before taxation ("LBT") of RM29.05 million for the current financial period, representing a significant decline of RM29.71 million or 4,501.5% compared to a profit before taxation of RM0.66 million in the corresponding period of the previous year.

The exceptional LBT was primarily attributable to a trade receivable impairment of RM24.77 million and lower gross profit generated from the business activities, which was insufficient to cover the Group's fixed operating cost.

B2. PROSPECTS

The Board of Directors of the Company ("Board") remains positive on the growth of the current businesses. As part of the growth strategy, the Board will be re-evaluating the Group's existing business and will be looking into new plans to restructure and optimise the Group's business units.

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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss)attributable to owners of the Company	(29,053)	655	(29,053)	655
Weighted average number of ordinary shares in issue ('000)	831,188	831,188	831,188	831,188
Basic earnings per share (sen)	(3.50)	0.08	(3.50)	0.08

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