



IDB TECHNOLOGIES BERHAD
(Incorporated in Malaysia)
Registration No: 201801039812 (1301843-D)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2020**

**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 AND 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 US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Unaudited 31.12.2020 RM'000	Group Audited 30.06.2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Equipment	200	210
Right-of-use asset	72	94
Intangible assets	66	66
	338	370
CURRENT ASSETS		
Inventories	83	80
Trade receivables	2,106	1,431
Other receivables, deposits and prepayments	46	37
Fixed deposit with a licensed bank	2,200	2,200
Cash and bank balances	507	448
	4,942	4,196
TOTAL ASSETS	5,280	4,566
EQUITY AND LIABILITIES		
EQUITY		
Share capital	4,095	4,095
Merger deficit	(675)	(675)
Retained profits	639	145
TOTAL EQUITY	4,059	3,565
NON-CURRENT LIABILITY		
Lease liability	32	56
CURRENT LIABILITIES		
Trade payables	37	64
Other payables and accruals	949	821
Amount owing to a directors	31	14
Lease liability	46	44
Current tax liabilities	126	2
TOTAL LIABILITIES	1,189	945
TOTAL EQUITY AND LIABILITIES	5,280	4,566
NET ASSETS PER SHARE (sen)	0.81	0.71

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this interim financial report.

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SIX-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2020

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	2,259	1,951	2,259	1,951
Cost of sales	(931)	(965)	(931)	(965)
Gross profit	1,328	986	1,328	986
Other income	58	64	58	64
Selling and marketing expenses	(285)	(379)	(285)	(379)
Administrative expenses	(315)	(347)	(315)	(347)
Other expenses	(39)	(305)	(39)	(305)
Finance Costs	(3)	-	(3)	-
Net impairment losses on financial assets	(52)	(159)	(52)	(159)
Profit/(Loss) before taxation	692	(140)	692	(140)
Income tax expense	(198)	(115)	(198)	(115)
Profit/(Loss) after taxation/ total comprehensive income/ (expenses) for the financial period	494	(255)	494	(255)
Profit/(Loss) after taxation/ total comprehensive income for the financial period attributable to:- Owners of the Company	494	(255)	494	(255)
Earning/(Loss) per share (sen)				
Basic ⁽¹⁾	0.10	(0.05)	0.10	(0.05)
Diluted ⁽¹⁾	0.10	(0.05)	0.10	(0.05)

⁽¹⁾ The loss per share is computed based on the weighted average number of shares for the respective financial period.

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2020

	Share Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000	Total Equity RM'000
The Group				
Balance at 30.6.2019/1.7.2019	4,175	(675)	705	4,205
Loss after taxation/Total comprehensive expenses for the financial period	-	-	(560)	(560)
Contribution by owners of the Company:				
- Share issuance expenses	(80)	-	-	(80)
Balance at 30.06.2020	4,095	(675)	145	3,565
Loss after taxation/Total comprehensive expenses for the financial period	-	-	494	494
Balance at 31.12.2020	4,095	(675)	639	4,059

Note:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this interim financial report.

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FPE 31
DECEMBER 2020**

	Unaudited 31.12.2020 RM'000	Unaudited 31.12.2019 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit/(Loss) before taxation	692	(140)
Adjustments for:-		
Depreciation of equipment	17	30
Depreciation of right-of-use asset	22	-
Impairment loss on trade receivables	257	160
Interest expenses on lease liability	3	-
Interest income	(27)	-
Reversal of impairment losses on trade receivables	(205)	(1)
Listing expenses	-	354
	<hr/>	<hr/>
Operating profit before working capital changes	759	403
Increase in inventories	(3)	(2)
Increase in trade and other receivables	(736)	(607)
Increase in trade and other payables	101	48
Increase/(Decrease) in amount owing to a director	17	(28)
	<hr/>	<hr/>
CASH FROM/(FOR) OPERATIONS	138	(186)
Income tax paid	(74)	(183)
	<hr/>	<hr/>
NET CASH FROM/(FOR) OPERATING ACTIVITIES	64	(369)
	<hr/>	<hr/>
CASH FROM/(FOR) INVESTING ACTIVITIES		
Interest received	27	-
Purchase of equipment	(7)	(48)
	<hr/>	<hr/>
NET CASH FROM/(FOR) INVESTING ACTIVITIES	20	(48)
	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITY		
Interest paid	(3)	-
Repayment of lease liability	(22)	-
Listing expenses	-	(434)
	<hr/>	<hr/>
NET CASH FOR FINANCING ACTIVITIES	(25)	(434)
	<hr/>	<hr/>

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FPE 31 DECEMBER 2020 (CONT'D)

	Unaudited 31.12.2020 RM'000	Unaudited 31.12.2019 RM'000
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	59	(851)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>1,448</u>	<u>3,811</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>1,507</u>	<u>2,960</u>
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposit with a licensed bank	2,200	2,800
Cash and bank balances	<u>507</u>	<u>160</u>
	2,707	2,960
Less: Fixed deposits with tenure more than 3 months	<u>(1,200)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS	<u>1,507</u>	<u>2,960</u>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this interim financial report.

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD END 31 DECEMBER 2020

A1. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

These unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Part C, Rule 6.12 and Part A, Appendix 6A of the LEAP Market Listing Requirements (“LEAP LR”) issued by Bursa Securities.

These unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the preparation of these unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 30 June 2020, except for the adoption of the following MFRSs and Amendments to MFRSs as disclosed below:

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 16: COVID-19-Related Rent Concessions
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

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

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
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
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretation (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the Group's most recent annual audited financial statements for the financial year ended 30 June 2020 were not subject to any qualification.

A4. SEASONALITY OR CYCLICALITY FACTORS

Generally, our Group's business is not subjected to any anomalous cyclical or seasonal trend.

A5. UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the semi-annual period and financial year ended 30 June 2020.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in critical accounting estimates and judgments during the financial period ended 31 December 2020.

A7. DEBT AND EQUITIES SECURITY

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial period ended 31 December 2020.

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

A8. SEGMENTAL INFORMATION

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

(a) By segments

Revenue	Individual unaudited 6 months ended				Cumulative unaudited 6 months ended			
	31 December 2020		31 December 2019		31 December 2020		31 December 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Proprietary software	1,724	76.32	1,335	68.43	1,724	76.32	1,335	68.43
Hardware	201	8.90	293	15.02	201	8.90	293	15.02
Other services and solutions	334	14.78	323	16.55	334	14.78	323	16.55
Total	2,259	100.00	1,951	100.00	2,259	100.00	1,951	100.00

(The remaining of this page is intentionally left blank)

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

A8. SEGMENTAL INFORMATION

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

(b) By locations

	Individual unaudited 6 months ended				Cumulative unaudited 6 months ended			
	31 December 2020		31 December 2019		31 December 2020		31 December 2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia								
- Klang Valley	688	30.46	580	29.73	688	30.46	580	29.73
- Pahang	380	16.82	133	6.82	380	16.82	133	6.82
- Melaka	301	13.32	146	7.48	301	13.32	146	7.48
- Penang	198	8.76	184	9.43	198	8.76	184	9.43
- Others	592	26.21	883	45.26	592	26.21	883	45.26
Cambodia	19	0.84	25	1.28	19	0.84	25	1.28
Singapore	81	3.59	-	-	81	3.59	-	-
Total	2,259	100.00	1,951	100.00	2,259	100.00	1,951	100.00

A9. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the reporting that have not been reflected in the interim financial statement.

A10. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the 6-month financial period ended 31 December 2020.

A11. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2020.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent assets and liabilities as at 31 December 2020.

B. ADDITIONAL INFORMATION REQUIRED UNDER LEAP MARKET LISTING REQUIREMENTS

B1. ANALYSIS OF FINANCIAL PERFORMANCE

Our Group recorded a revenue of approximately RM2.26 million for FPE 31 December 2020 ("FPE 2020"), as compared to approximately RM1.95 million for 6-months financial period ended 31 December 2019 ("FPE 2019"), representing an increase of approximately RM0.31 million or 15.90%. Our revenue is mainly derived from sales of proprietary software amounting to RM1.72 million or 76.11% of total revenue of RM2.26 million.

Our Group recorded higher gross profit of approximately RM1.33 million in FPE 2020 compared to gross profit of approximately RM0.99 million in FPE 2019, representing an increase of approximately RM0.34 million or 34.34%. Despite tourism industry has been adversely affected by outbreak of COVID-19, our Group has secured more hotel projects attributed by aggressive marketing effort.

Our Group recorded a profit before tax of RM0.69 million for FPE 2020 as compared to a loss before tax of RM0.14 million in FPE 2019, representing an increase of RM0.83 million was mainly due to higher revenue achieved in FPE 2020 and one-off item of listing expenses amounting to RM0.35 million incurred in FPE 2019.

B2. PROSPECTS

Our Group will continue implementing and maintaining our plans and strategies to expand locally and to other geographical areas and to undertake continuous development of new solutions to keep up with technological trends. The Movement Control Order ("MCO") arising from COVID-19 pandemic has resulted in Malaysia's economy contracted 17.1% in the second quarter of 2020. The tourism industry was adversely affected, which in turn affected our business.

The Board of Directors of our Company ("Board") noted that Bank Negara Malaysia has forecasted Malaysia's economy is going to grow within the range of -3.5% to -5.5% in 2020, before staging a rebound within a growth range of 5.5% to 8.0% in 2021. The Board is of the opinion that the prospects of our Group's financial performance for the current financial year ending 30 June 2021 remain challenging.

B3. VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast or profit guarantee in any public document or announcement.

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

C. OTHER INFORMATION**C1. STATUS OF CORPORATE PROPOSALS**

No corporate proposal was announced or pending completion as at the date of this report.

C2. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds from the subscription of IDB shares by pre-IPO investors of RM3.50 million is as follows:

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation* RM'000	Balance RM'000	Estimated timeframe for utilisation upon listing
Technology research and development	720	83	637	Within 36 months
Expansion expenses	1,000	192	808	Within 36 months
Working capital	980	977	3	Within 36 months
Estimated listing expenses	800	800	-	Utilised
	<hr/>	<hr/>	<hr/>	
	3,500	2,052	1,448	

Note:

* *Status of utilisation as at 31 December 2020.*

C3. MATERIAL LITIGATION

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

C4. DIVIDEND

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