



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

**FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2021**

**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 2021

	Unaudited⁽¹⁾ 31.12.2021 RM'000	Group Audited 30.06.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Equipment	202	206
Right-of-use asset	368	50
Intangible assets	83	93
	<u>653</u>	<u>349</u>
CURRENT ASSETS		
Inventories	80	62
Trade receivables	2,032	1,971
Other receivables, deposits and prepayments	90	42
Fixed deposit with a licensed bank	1,800	1,800
Cash and bank balances	628	642
	<u>4,630</u>	<u>4,517</u>
TOTAL ASSETS	<u>5,283</u>	<u>4,866</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	4,095	4,095
Merger deficit	(675)	(675)
Retained profits	240	317
TOTAL EQUITY	<u>3,660</u>	<u>3,737</u>
NON-CURRENT LIABILITY		
Lease liability	<u>268</u>	<u>8</u>
CURRENT LIABILITIES		
Trade payables	38	62
Other payables and accruals	1,082	898
Amount owing to a directors	72	37
Lease liability	78	48
Current tax liabilities	85	76
	<u>1,355</u>	<u>1,121</u>
TOTAL LIABILITIES	<u>1,623</u>	<u>1,129</u>
TOTAL EQUITY AND LIABILITIES	<u>5,283</u>	<u>4,866</u>
NET ASSETS PER SHARE (sen)⁽²⁾	0.73	0.75

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

Note:

(1) 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 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per share is calculated based on the Group's number of ordinary shares in issue of 500,000,000 as at the end of the financial reporting period.

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 2021

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Revenue	1,542	2,259	1,542	2,259
Cost of sales	(905)	(931)	(905)	(931)
Gross profit	637	1,328	637	1,328
Other income	84	58	84	58
Selling and marketing expenses	(193)	(285)	(193)	(285)
Administrative expenses	(342)	(315)	(342)	(315)
Other expenses	(79)	(39)	(79)	(39)
Finance costs	(3)	(3)	(3)	(3)
Net impairment losses on financial assets	(109)	(52)	(109)	(52)
(Loss)/Profit before taxation	(5)	692	(5)	692
Income tax expense	(72)	(198)	(72)	(198)
(Loss)/Profit after taxation/ total comprehensive (expenses)/income for the financial period	(77)	494	(77)	494
(Loss)/Profit after taxation/ total comprehensive (expenses)/income for the financial period attributable to:-				
Owners of the Company	(77)	494	(77)	494
(Loss)/Earnings per share (sen)				
Basic/ Diluted ⁽¹⁾	(0.02)	0.10	(0.02)	0.10

Note:⁽¹⁾ Loss/ Earnings per share is calculated based on the Group's number of ordinary shares in issue of 500,000,000 as at the end of the financial reporting period.

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000	Total Equity RM'000
The Group				
Balance at 1.7.2020	4,095	(675)	145	3,565
Profit after taxation/Total comprehensive income for the financial period	-	-	172	172
Balance at 30.06.2021	4,095	(675)	317	3,737
Loss after taxation/Total comprehensive expenses for the financial period	-	-	(77)	(77)
Balance at 31.12.2021	4,095	(675)	240	3,660

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 2021 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 2021**

	Unaudited 31.12.2021 RM'000	Unaudited 31.12.2020 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(5)	692
Adjustments for:-		
Amortisation of intangible asset	18	-
Depreciation of equipment	21	17
Depreciation of right-of-use asset	40	22
Impairment loss on trade receivables	214	257
Interest expenses on lease liability	3	3
Interest income	(16)	(27)
Reversal of impairment losses on trade receivables	(105)	(205)
Operating profit before working capital changes	170	759
Increase in inventories	(18)	(3)
Increase in trade and other receivables	(218)	(736)
Increase in trade and other payables	160	101
Increase in amount owing to a director	35	17
CASH FROM OPERATIONS	129	138
Income tax paid	(63)	(74)
NET CASH FROM OPERATING ACTIVITIES	66	64
CASH (FOR)/FROM INVESTING ACTIVITIES		
Interest received	16	27
Purchase of equipment	(17)	(7)
Addition of intangible assets	(8)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(9)	20
NET CASH FOR FINANCING ACTIVITIES		
Interest paid	(3)	(3)
Repayment of lease liability	(68)	(22)
NET CASH FOR FINANCING ACTIVITIES	(71)	(25)

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FPE 31
DECEMBER 2021 (CONT'D)**

	Unaudited 31.12.2021 RM'000	Unaudited 31.12.2020 RM'000
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	(14)	59
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>1,242</u>	<u>1,448</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>1,228</u>	<u>1,507</u>
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposit with a licensed bank	1,800	2,200
Cash and bank balances	<u>628</u>	<u>507</u>
	2,428	2,707
Less: Fixed deposits with tenure more than 3 months	<u>(1,200)</u>	<u>(1,200)</u>
CASH AND CASH EQUIVALENTS	<u>1,228</u>	<u>1,507</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 2021 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 2021

A1. BASIS OF PREPARATION

The financial statements of IDB Technologies Berhad and its subsidiary ("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 issued by Bursa Securities.

These unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

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 standards and/or interpretations (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 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
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17 Insurance Contracts	1 January 2023

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
Amendment 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
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 2021 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

The implementation of a series of Movement Control Order ("MCO") by the Malaysian Government due to COVID-19 pandemic has adversely impacted our business and operations.

Other than the above, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the semi-annual period and FYE 30 June 2021.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in critical accounting estimates and judgments during the financial period ended 31 December 2021.

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 2021.

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 2021		31 December 2020		31 December 2021		31 December 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Proprietary software	1,160	75.23	1,724	76.32	1,160	75.23	1,724	76.32
Hardware	94	6.09	201	8.90	94	6.09	201	8.90
Other services and solutions	288	18.68	334	14.78	288	18.68	334	14.78
Total	1,542	100.00	2,259	100.00	1,542	100.00	2,259	100.00

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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 2021		31 December 2020		31 December 2021		31 December 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia								
- Klang Valley	632	40.99	688	30.46	632	40.99	688	30.46
- Kedah	236	15.30	107	4.74	236	15.30	107	4.74
- Pahang	147	9.53	380	16.82	147	9.53	380	16.82
- Penang	103	6.68	198	8.76	103	6.68	198	8.76
- Others	381	24.71	786	34.79	381	24.71	786	34.79
Cambodia	43	2.79	19	0.84	43	2.79	19	0.84
Singapore	-	-	81	3.59	-	-	81	3.59
Total	1,542	100.00	2,259	100.00	1,542	100.00	2,259	100.00

A9. SIGNIFICANT EVENTS OCCURING 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 FPE 31 December 2021.

A11. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2021.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent assets and liabilities as at 31 December 2021.

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS

B1. ANALYSIS OF FINANCIAL PERFORMANCE

Our Group recorded a revenue of approximately RM1.54 million for 6-month FPE 31 December 2021 (“FPE 2021”), as compared to approximately RM2.26 million for the 6-month FPE 31 December 2020 (“FPE 2020”), representing a decrease of approximately RM0.72 million or 31.86%. Our revenue is mainly derived from sales of proprietary software amounting to RM1.16 million or 75.32% of total revenue of RM1.54 million for the FPE 2021.

The lower revenue generated is mainly due to:

- (i) Lower number of projects being secured in FPE 2021;
- (ii) Delay of implementation of projects due to the implementation of nationwide MCO 3.0 since 1 June 2021. This has adversely affected hospitality industry business; and
- (iii) Lower sales of hardware mainly due to fewer new projects being secured and reduced orders of replacement of hardware in FPE 2021.

Our Group registered a loss before tax of RM0.01 million for FPE 2021 as compared to a profit before tax of RM0.69 million in FPE 2020, representing a decrease of RM0.70 million which is in line with the lower revenue generated in FPE 2021.

B2. PROSPECTS

The interstate travel ban has recently been lifted following the vaccination of 90% of Malaysian adult population under the National COVID-19 Immunisation Programme (“PICK”). Furthermore, the Malaysian Government has started to administer third COVID-19 vaccine dose or booster shot nationwide. The outlook for hospitality segment including hotels is positive, which augurs well for our business.

Although the tourism industry is in the process of recovering from the COVID-19 pandemic, it may take some time to return to its normal state. Furthermore, the COVID-19 pandemic still remains a risk. Therefore, the Board is of the opinion that the prospects of our Group’s financial performance for the financial year ending 30 June 2022 will still be challenging. Nevertheless, our Group will continuously monitor the impact of COVID-19 on our Group’s financial performance and financial position and will also take appropriate actions to minimise the impact of the pandemic on our Group’s business and operations.

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	185	535	Within 36 months
Expansion expenses	1,000	222	778	Within 36 months
Working capital	980	980	-	Utilised
Estimated listing expenses	800	800	-	Utilised
	<u>3,500</u>	<u>2,187</u>	<u>1,313</u>	

Note:

* *Status of utilisation as at 31 December 2021.*

In the event that the actual amounts vary from the above estimates, the excess or deficit, as the case may be, would be reallocated to/from the amount earmarked for working capital.

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.