



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

**FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED
30 JUNE 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 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 30 JUNE 2022

	Unaudited 30.06.2022 RM'000	Group Audited 30.06.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Equipment	183	206
Right-of-use asset	617	50
Intangible assets	64	93
	864	349
CURRENT ASSETS		
Inventories	72	62
Trade receivables	2,011	1,971
Other receivables, deposits and prepayments	57	42
Fixed deposit with a licensed bank	1,800	1,800
Cash and bank balances	1,994	642
	5,934	4,517
TOTAL ASSETS	6,798	4,866
EQUITY AND LIABILITIES		
EQUITY		
Share capital	4,095	4,095
Merger deficit	(675)	(675)
Retained profits	1,134	317
TOTAL EQUITY	4,554	3,737
NON-CURRENT LIABILITY		
Lease liability	457	8
CURRENT LIABILITIES		
Trade payables	-	62
Other payables and accruals	1,394	898
Amount owing to a director	2	37
Lease liability	92	48
Current tax liabilities	299	76
	1,787	1,121
TOTAL LIABILITIES	2,244	1,129
TOTAL EQUITY AND LIABILITIES	6,798	4,866
NET ASSETS PER SHARE (sen)⁽¹⁾	0.91	0.75



MAKING PMS SIMPLE

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

Notes:

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.

(1) 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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED (“FYE”) 30 JUNE 2022

	Individual 6 months ended		Cumulative 12 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Revenue	2,708	1,486	4,250	3,745
Cost of sales	(1,137)	(1,009)	(2,042)	(1,940)
Gross profit	1,571	477	2,208	1,805
Other income	93	20	177	78
Selling and marketing expenses	(297)	(194)	(490)	(479)
Administrative expenses	(377)	(303)	(719)	(618)
Other expenses	(121)	(55)	(200)	(94)
Finance costs	(5)	(2)	(8)	(5)
Net reversal of impairment losses/(impairment losses) on financial assets	353	(242)	244	(294)
Profit/(Loss) before taxation	1,217	(299)	1,212	393
Income tax expense	(323)	(23)	(395)	(221)
Profit/(Loss) after taxation/ total comprehensive income/(expenses) for the financial period/year	894	(322)	817	172
Profit/(Loss) after taxation/ total comprehensive income/(expenses) for the financial period/year attributable to:-				
Owners of the Company	894	(322)	817	172
Earnings/(Loss) per share (sen)				
Basic/ Diluted ⁽¹⁾	0.18	(0.06)	0.16	0.03

Note:

⁽¹⁾ Earnings/Loss 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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE
FYE 30 JUNE 2022**

	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 year	-	-	172	172
Balance at 30.06.2021/01.07.2021	4,095	(675)	317	3,737
Profit after taxation/Total comprehensive income for the financial year	-	-	817	817
Balance at 30.06.2022	4,095	(675)	1,134	4,554

Note:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the FYE 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FYE 30 JUNE 2022

	Unaudited 30.06.2022 RM'000	Audited 30.06.2021 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	1,212	393
Adjustments for:-		
Amortisation of intangible asset	37	11
Depreciation of equipment	44	40
Depreciation of right-of-use asset	119	44
Impairment losses on trade receivables	311	568
Interest expense on lease liability	8	5
Interest income	(36)	(48)
Gain on disposal of motor vehicle	(73)	-
Reversal of impairment losses on trade receivables	(555)	(274)
Operating profit before working capital changes	1,067	739
(Increase)/Decrease in inventories	(10)	3
Decrease/(Increase) in trade and other receivables	189	(839)
Increase in trade and other payables	448	75
(Decrease)/Increase in amount owing to a director	(35)	23
CASH FLOWS FROM OPERATIONS	1,659	1
Income tax paid	(186)	(146)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	1,473	(145)
CASH FOR INVESTING ACTIVITIES		
Interest received	36	48
Purchase of equipment	(21)	(22)
Right-of-use asset	(102)	-
Proceeds from sales of motor vehicle	73	-
Addition of intangible assets	(8)	(38)
NET CASH FOR INVESTING ACTIVITIES	(22)	(12)
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(8)	(5)
Repayment of lease liability	(91)	(44)
NET CASH FOR FINANCING ACTIVITIES	(99)	(49)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,352	(206)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,242	1,448
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,594	1,242

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FYE 30 JUNE 2022 (CONT'D)

	Unaudited 30.06.2022 RM'000	Audited 30.06.2021 RM'000
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposit with a licensed bank	1,800	1,800
Cash and bank balances	1,994	642
	<u>3,794</u>	<u>2,442</u>
Less: Fixed deposits with tenure more than 3 months	<u>(1,200)</u>	<u>(1,200)</u>
CASH AND CASH EQUIVALENTS	<u>2,594</u>	<u>1,242</u>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR FYE 30 JUNE 2022

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 Listing Requirements issued by Bursa Securities.

These unaudited interim financial statements should be read in conjunction with the audited financial statements for the 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)

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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.

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
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 FYE 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

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 2022.



MAKING PMS SIMPLE

IDB TECHNOLOGIES BERHAD

Registration No: 201801039812 (1301843-D)

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in critical accounting estimates and judgments during the FYE 30 June 2022.

A7. DEBT AND EQUITIES SECURITY

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the FYE 30 June 2022.

A8. SEGMENTAL INFORMATION

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

(a) By segments

Revenue	Individual 6 months ended				Cumulative 12 months ended			
	30 June 2022		30 June 2021		30 June 2022		30 June 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Proprietary software	2,046	75.55	1,078	72.54	3,206	75.44	2,802	74.82
Hardware	272	10.05	241	16.22	366	8.61	442	11.80
Other services and solutions	390	14.40	167	11.24	678	15.95	501	13.38
Total	2,708	100.00	1,486	100.00	4,250	100.00	3,745	100.00

(The remaining of this page is intentionally left blank)

A8. SEGMENTAL INFORMATION

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

(b) By locations

	Individual 6 months ended				Cumulative 12 months ended			
	30 June 2022		30 June 2021		30 June 2022		30 June 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia								
- Klang Valley	630	23.27	446	30.01	1,262	29.69	1,134	30.28
- Pahang	409	15.10	458	30.82	555	13.06	838	22.38
- Penang	416	15.36	118	7.94	519	12.21	316	8.44
- Perak	349	12.89	96	6.46	438	10.31	232	6.20
- Kedah	129	4.76	63	4.24	364	8.56	170	4.54
- Johor	263	9.71	59	3.97	348	8.19	160	4.27
- Others	375	13.85	239	16.09	584	13.75	788	21.04
Cambodia	3	0.11	7	0.47	46	1.08	26	0.69
Singapore	134	4.95	-	-	134	3.15	81	2.16
Total	2,708	100.00	1,486	100.00	4,250	100.00	3,745	100.00

A9. SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the reporting period 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 FYE 30 June 2022.

A11. CAPITAL COMMITMENTS

There were no material capital commitments as at 30 June 2022.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent assets and liabilities as at 30 June 2022.

B. ADDITIONAL INFORMATION REQUIRED UNDER LEAP MARKET LISTING REQUIREMENTS

B1. ANALYSIS OF FINANCIAL PERFORMANCE

(a) Comparison between current financial year and the preceding financial year

The Group recorded a revenue of approximately RM4.25 million for the current FYE 30 June 2022, as compared to approximately RM3.75 million in the previous financial year, representing an increase of approximately RM0.50 million or 13.33%. Our revenue is mainly derived from sales of proprietary software amounting to RM3.21 million or 75.44% of the total revenue.

In line with the increase of revenue, the Group recorded higher gross profit of approximately RM2.21 million in FYE 30 June 2022 compared to the gross profit of approximately RM1.81 million in FYE 30 June 2021, representing an increase of approximately RM0.40 million or 22.10%. Following the relaxation of restrictions post MCOs and the opening of borders, many of our clients have resumed their businesses and started to implement projects that have been on hold or delayed in previous year. Besides, our Group has also successfully secured more hotel projects during the financial year.

The Group recorded a profit after tax for the current FYE 30 June 2022 of approximately RM0.82 million as compared to approximately RM0.17 million for FYE 30 June 2021, representing an increase of RM0.65 million, which is mainly due to:

- i) reversal of impairment loss in FYE 30 June 2022 amounting to RM0.56 million; and
- ii) higher revenue generated in FYE 30 June 2022 by RM0.51 million due to higher number of projects secured and implemented.

(b) Comparison between current 6 months financial period (“2H FYE 2022”) and preceding year corresponding 6 months financial period (“2H FYE 2021”)

For 2H FYE 2022, the Group recorded profit after tax of RM0.89 million as compared to loss after taxation of RM0.32 million in 2H FYE2021, representing an increase of RM1.21 million. The Group was able to record profit after tax for 2H FYE 2022 mainly attributable to:

- i) higher revenue generated in 2H FYE 2022 by RM1.22 million due to higher number of projects secured and implemented; and
- ii) reversal of impairment losses made in 2H FYE 2021.

(c) Comparison between 2H FYE2022 and immediate preceding 6 months financial period (“1H FYE 2022”)

Our Group revenue increased by RM1.17 million or 34.22% from RM1.54 million in 1H FYE 2022 to RM2.71 million in 2H FYE 2022 mainly due to higher number of projects being secured and implemented in 2H FYE 2022 and most of the projects which were on hold in 1H FYE 2022 have resumed implementation in 2H FYE 2022.

In line with the increase of revenue, the Group recorded profit after tax of RM0.89 million in 2H FYE 2022 compared to the loss after tax of RM0.08 million in 1H FYE 2022, representing an increase of approximately RM0.97 million.

B2. PROSPECTS

Our Group will continue to execute our plans and strategies to expand locally and to undertake continuous development of new solutions to keep up with the technological trends.

With the reopening of Malaysia's international borders on 1 April 2022, many of our clients gradually pick up their hotel business. The recovery of domestic and international tourism section will augur well for the Group's business. Although the Malaysian economy is recovering, the risk of COVID-19 infection still remains and there is also inflationary pressure which is causing some uncertainties. Our Group will continuously monitor the situations and will also take appropriate actions to minimise the impact of the COVID-19 and rising costs on our Group's business and operations.

Barring any unforeseen circumstances, the Board is of the opinion that the prospects of the Group's financial performance for the financial year ending 30 June 2023 is expected to be favourable.

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.

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⁽¹⁾ RM'000	Balance RM'000	Estimated timeframe for utilisation upon listing
Technology research and development	720	217	503	Within 36 months
Expansion expenses	1,000	235	765	Within 36 months
Working capital	980	980	-	Within 36 months
Estimated listing expenses	800	800	-	Utilised
	<hr/>	<hr/>	<hr/>	
	3,500	2,232	1,268	
	<hr/>	<hr/>	<hr/>	

Note:

⁽¹⁾ Status of utilisation as at 30 June 2022.

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

On 26 August 2022, the Board has resolved to declare an interim dividend of 0.1 sen per share amounting to RM500,000 in respect of the financial year ending 30 June 2023, to be paid on 30 September 2022. The entitlement date for the dividend payment is 12 September 2022.