



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

**FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2023**

**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 2023

	Unaudited⁽¹⁾ 31.12.2023 RM'000	Group Audited 30.06.2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Equipment	597	638
Intangible assets	9	24
	606	662
CURRENT ASSETS		
Inventories	102	154
Trade receivables	1,704	1,334
Other receivables, deposits and prepayments	60	67
Fixed deposit with a licensed bank	4,862	4,112
Cash and bank balances	337	461
	7,065	6,128
TOTAL ASSETS	7,671	6,790
EQUITY AND LIABILITIES		
EQUITY		
Share capital	4,095	4,095
Merger deficit	(675)	(675)
Retained profits	2,188	1,470
TOTAL EQUITY	5,608	4,890
NON-CURRENT LIABILITY		
Hire purchase payables	335	378
CURRENT LIABILITIES		
Trade payables	45	11
Other payables and accruals	1,233	1,155
Hire purchase payables	80	79
Current tax liabilities	370	277
	1,728	1,522
TOTAL LIABILITIES	2,063	1,900
TOTAL EQUITY AND LIABILITIES	7,671	6,790
NET ASSETS PER SHARE (sen)⁽²⁾	1.12	0.98

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Notes:

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 30 June 2023 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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SIX-MONTH FINANCIAL PERIOD ENDED (“FPE”) 31 DECEMBER 2023

	Individual 6 months ended		Cumulative 6 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	3,710	3,186	3,710	3,186
Cost of sales	(1,615)	(1,360)	(1,615)	(1,360)
Gross profit	2,095	1,826	2,095	1,826
Other income	76	32	76	32
Selling and marketing expenses	(585)	(345)	(585)	(345)
Administrative expenses	(447)	(429)	(447)	(429)
Other expenses	(111)	(120)	(111)	(120)
Finance costs	(6)	(6)	(6)	(6)
(Impairment losses)/ Net reversal of impairment losses on financial assets	(30)	7	(30)	7
Profit before taxation	992	965	992	965
Income tax expense	(274)	(276)	(274)	(276)
Profit after taxation/ Total comprehensive income for the financial period	718	689	718	689
Profit after taxation/ Total comprehensive income for the financial period attributable to:- Owners of the Company	718	689	718	689
Earnings per share (sen)				
Basic/ Diluted ⁽¹⁾	0.14	0.14	0.14	0.14

Note:

⁽¹⁾ 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. The diluted earnings per share of is equivalent to the basic earnings per share as the Group does not have any convertible securities at the end of the reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023

	Share capital RM'000	Merger deficit RM'000	Retained profits RM'000	Total equity RM'000
The Group				
Balance at 1.7.2022	4,095	(675)	1,134	4,554
Profit after taxation/Total comprehensive income for the financial period	-	-	1,336	1,336
Dividend paid	-	-	(1,000)	(1,000)
Balance at 30.06.2023	4,095	(675)	1,470	4,890
Profit after taxation/Total comprehensive income for the financial period	-	-	718	718
Balance at 31.12.2023	4,095	(675)	2,188	5,608

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 2023 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FPE 31 DECEMBER 2023

	Unaudited 31.12.2023 RM'000	Unaudited 31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	992	965
Adjustments for:-		
Amortisation of intangible asset	15	20
Depreciation of equipment	95	92
Depreciation of right-of-use asset	-	7
Impairment loss on trade receivables	74	195
Interest expenses	6	6
Interest income	(76)	(30)
Reversal of impairment losses on trade receivables	(44)	(202)
Operating profit before working capital changes	1,062	1,053
Decrease/(Increase) in inventories	20	(54)
(Increase)/Decrease in trade and other receivables	(393)	395
Increase/(Decrease) in trade and other payables	112	(40)
CASH FROM OPERATIONS	801	1,354
Income tax paid	(181)	(54)
NET CASH FROM OPERATING ACTIVITIES	620	1,300
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	76	30
Placement of fixed deposits with tenure more than 3 months	-	(1,300)
Purchase of equipment	(22)	(17)
NET CASH FOR INVESTING ACTIVITIES	54	(1,287)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	-	(500)
Repayment of hire purchase obligations	(42)	(42)
Interest paid	(6)	(6)
Repayment of lease liability	-	(8)
NET CASH FOR FINANCING ACTIVITIES	(48)	(556)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	626	(543)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,461	2,594
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	2,087	2,051

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FPE 31
DECEMBER 2023 (CONT'D)**

	Unaudited 31.12.2023 RM'000	Unaudited 31.12.2022 RM'000
THE CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposit with a licensed bank	4,862	3,600
Cash and bank balances	<u>337</u>	<u>951</u>
	5,199	4,551
Less: Fixed deposits with tenure more than 3 months	<u>(3,112)</u>	<u>(2,500)</u>
CASH AND CASH EQUIVALENTS	<u>2,087</u>	<u>2,051</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 2023 and the accompanying explanatory notes attached to this interim financial report.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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 FYE 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

During the current financial period 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)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

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

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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

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 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

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Effective Date

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements 1 January 2024

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 2023 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 current financial period under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in critical accounting estimates and judgments during the current financial period under review.

A7. DEBT AND EQUITIES SECURITY

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial period under review.

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A8. SEGMENTAL INFORMATION

(a) By segments

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

Revenue	Individual unaudited 6 months ended				Cumulative unaudited 6 months ended			
	31 December 2023		31 December 2022		31 December 2023		31 December 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Proprietary software	2,646	71.32	2,263	71.03	2,646	71.32	2,263	71.03
Hardware	318	8.57	329	10.33	318	8.57	329	10.33
Other services and solutions	746	20.11	594	18.64	746	20.11	594	18.64
Total	3,710	100.00	3,186	100.00	3,710	100.00	3,186	100.00

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A8. SEGMENTAL INFORMATION (CONT'D)

(b) By locations

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

	Individual unaudited 6 months ended				Cumulative unaudited 6 months ended			
	31 December 2023		31 December 2022		31 December 2023		31 December 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia								
- Klang Valley	1,502	40.49	1,210	37.98	1,502	40.49	1,210	37.98
- Pahang	402	10.84	227	7.12	402	10.84	227	7.12
- Perak	298	8.03	207	6.50	298	8.03	207	6.50
- Negeri Sembilan	246	6.63	297	9.32	246	6.63	297	9.32
- Penang	235	6.33	326	10.24	235	6.33	326	10.24
- Others	751	20.24	706	22.16	751	20.24	706	22.16
	3,434	92.56	2,973	93.32	3,434	92.56	2,973	93.32
Overseas								
- Cambodia	183	4.93	150	4.71	183	4.93	150	4.71
- Indonesia	69	1.86	61	1.91	69	1.86	61	1.91
- Singapore	23	0.62	2	0.06	23	0.62	2	0.06
- Vietnam	1	0.03	-	-	1	0.03	-	-
	276	7.44	213	6.68	276	7.44	213	6.68
Total	3,710	100.00	3,186	100.00	3,710	100.00	3,186	100.00

A9. SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the current financial period under review that have not been reflected in the interim financial statements.

A10. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial period under review.

A11. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2023.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent assets and liabilities as at 31 December 2023.

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS

B1. ANALYSIS OF FINANCIAL PERFORMANCE

Our Group recorded a revenue of approximately RM3.71 million for 6-month FPE 31 December 2023 ("FPE 2023"), as compared to approximately RM3.19 million for the 6-month FPE 31 December 2022 ("FPE 2022"), representing an increase of approximately RM0.52 million or 16.30%. Our revenue is mainly derived from sales of proprietary software amounting to RM2.65 million or 71.43% of total revenue of RM3.71 million for the FPE 2023.

The higher revenue generated is mainly from higher number of projects being secured and implemented in FPE 2023.

In line with the increase of revenue, the Group recorded profit after tax of RM0.72 million in FPE 2023 compared to the profit after tax of RM0.69 million in FPE 2022, representing a slight increase of approximately RM0.03 million or 4.35%.

B2. PROSPECTS

Our Group will continue to focus on expanding its geographical reach in Indonesia, Cambodia and Vietnam. In addition, our group will also undertake continuous development of new solutions and adapt to new technologies to further improve its existing solutions and services.

The Board is of the opinion that, barring any unforeseen circumstances, the prospects of the Group's financial performance for the financial year ending 30 June 2024 will remain 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* RM'000	Re-allocation RM'000	Balance RM'000	Revised estimated timeframe for utilisation upon listing
Technology research and development	720	(575)	(145)	-	Utilised
Expansion expenses	1,000	(482)	(518)	-	Utilised
Working capital	980	(1,643)	663	-	Utilised
Estimated listing expenses	800	(800)	-	-	Utilised
	3,500	(3,500)	-	-	

Note:

* *Status of utilisation as at 07 October 2023.*

The unutilised technology research and development expenses of RM0.15 million and expansion expenses of RM0.52 million and were reallocated and utilised 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.