INFOLINE TEC GROUP BERHAD

Registration No. 202101032489 (1432789-M)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

SECOND QUARTER ENDED 30 SEPTEMBER 2025

26 NOVEMBER 2025

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 3 MONTHS ENDED	
	UNAUDITED 30 September 2025 RM'000	UNAUDITED 30 September 2024 RM'000	UNAUDITED 30 September 2025 RM'000	UNAUDITED 30 September 2024 RM'000
Revenue	17,568	-	35,115	-
Cost of sales	(12,403)	-	(24,062)	-
Gross profit	5,165	-	11,053	-
Other income	128	-	443	-
Administrative expenses	(5,285)	-	(10,593)	-
Other expenses	(1,223)	-	(3,067)	-
Finance costs	(8)	-	(13)	-
Assets and contract assets	(230)		(230)	
Loss before tax	(1,453)	-	(2,407)	-
Income tax	132	-	103	-
Loss after tax attributable to the owners of the Company	(1,321)	-	(2,304)	-
Other comprehensive expenses				
- Foreign currency translation differences	(258)	-	(545)	-
Total comprehensive expenses for the period attributable to the owners of the Company	(1,579)	-	(2,849)	-
Basic loss per share (sen)	(0.36)	-	(0.63)	-
Diluted loss per share (sen)	(0.36)	-	(0.63)	-

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current three-month period ended 30 September 2025.

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2025 and the accompanying explanatory notes attached to these interim financial statements.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

	UNAUDITED AS AT 30 September 2025 RM'000	AUDITED AS AT 31 March 2025 RM'000
ASSETS		
Non-current assets		
Equipment	12,996	12,290
Right-of-use assets	847	545
Deferred tax assets	2,213	2,102
Goodwill	3,448	3,448
	19,504	**18,385**
Current assets		
Inventories	2,726	2,849
Contract cost assets	10,578	14,081
Contract assets	1,836	-
Trade receivables	20,448	16,329
Other receivables, deposits and prepayments	6,218	3,746
Current tax assets	4,795	2,682
Short-term investments	7,127	17,350
Cash and bank balances	9,670	14,115
	63,398	**71,152**
Total assets	**82,902**	**89,537**
EQUITY AND LIABILITIES		
Equity		
Share capital	36,935	36,935
Retained profits	33,559	35,843
Reserves	(12,565)	(12,020)
Total equity	**57,929**	**60,758**
Non-current liabilities		
Contract liabilities	2,621	3,412
Lease liabilities	459	173
Other payables and accruals	-	1,448
Deferred tax liabilities	22	29
	3,102	**5,062**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025 (CONT'D)

	UNAUDITED AS AT 30 September 2025 RM'000	AUDITED AS AT 31 March 2025 RM'000
Current Liabilities		
Trade payables	6,516	7,884
Other payables and accruals	3,721	3,896
Contract liabilities	11,046	11,194
Lease liabilities	403	392
Current tax liabilities	185	351
	21,871	**23,717**
Total liabilities	**24,973**	**28,779**
Total equity and liabilities	**82,902**	**89,537**
Net assets per share attributable to owners of the Company (RM)	0.16	0.17

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2025 and the accompanying explanatory notes attached to these interim financial statements.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Non-Distributable				Distributable	
	Share Capital	Foreign Exchange Translation Reserve	Statutory Reserve	Merger Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2025	36,935	(409)	361	(11,972)	35,863	60,778
Distributions to owners of the Company:						
Dividend paid	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	-	-
Loss for the financial period	-	-	-	-	(2,304)	(2,304)
Foreign exchange translation	-	(545)	-	-	-	(545)
Total comprehensive income	-	(545)	-	-	(2,304)	(2,849)
Transfer to statutory reserve	-	-	-	-	-	-
Balance as at 30 September 2025	36,935	(954)	361	(11,972)	33,559	57,929

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current six-month period ended 30 September 2025.

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2025 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	CURRENT PERIOD TO DATE	PRECEDING PERIOD TO DATE
	UNAUDITED	UNAUDITED
	30 September 2025	30 September 2024
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,407)	-
Adjustments for:		
Allowance for impairment losses on		-
inventories	5	
trade receivables	230	
Depreciation of equipment	2,199	-
Depreciation of right-of-use assets	(211)	-
Fair value gain on short-term investments	(5)	-
Interest expense	14	-
Interest income	(220)	-
Unrealised loss on foreign exchange	440	-
Operating profit before working capital changes	**45**	**-**
Decrease in inventories	233	-
Increase in trade and other receivables	(6,532)	-
Decrease in trade and other payables	(3,123)	-
Decrease in contract cost assets	1,788	-
Decrease in contract liabilities	(1,050)	-
Cash used in operations	**(8,639)**	**-**
Income tax paid	(2,417)	-
Income tax refund	52	-
NET CASH FOR OPERATING ACTIVITIES	**(11,004)**	**-**
CASH FLOWS FOR INVESTING ACTIVITIES		
Addition of short-term investments	5	-
Purchase of equipment	(2,914)	-
Interest received	220	-
NET CASH FOR INVESTING ACTIVITIES	**(2,689)**	**-**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025 (CONT'D)

	CURRENT PERIOD TO DATE UNAUDITED 30 September 2025 RM'000	PRECEDING PERIOD TO DATE UNAUDITED 30 September 2024 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Interest paid	(14)	-
Repayment of lease liabilities	201	-
Amount due to outsider	2	
NET CASH FOR FINANCING ACTIVITIES	**189**	**-**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(13,504)**	**-**
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(1,164)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	31,465	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**16,797**	**-**

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current six-month period ended 30 September 2025.

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2025 and the accompanying explanatory notes attached to these interim financial statements.

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The interim financial report of Infoline Tec Group Berhad ("**Infoline Tec**" or the "**Company**") and its subsidiaries (collectively, the "**Group**") is unaudited and had been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards ("**MFRSs**") 134 "Interim Financial Reporting" and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 March 2025.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial report are consistent with the audited financial statements of the Group for the financial period ended 31 March 2025.

Statement of compliance

The unaudited interim financial statements of the Group have been prepared in accordance with the MFRSs and International Financial Reporting Standards ("**IFRSs**").

The Group has adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Interpretations that are mandatory for the current financial year:

MFRSs and/or IC Interpretations

MFRS 121: Lack of Exchangeability
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101: Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 combined financial statements.

A1 Basis of preparation (continued)

Amendments/Improvements to MFRSs

The Group has not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
	Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group plans to adopt the above applicable new MFRSs and amendments/ improvements to MFRSs when they become effective and that the adoption of these standards and amendments are not expected to have any material impact on the financial statements of the Group in the year of initial application.

A2 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the financial period ended 31 March 2025 was not qualified.

A3 Seasonal or cyclical factors

The Group's operations were not subjected to any significant seasonal or cyclical factors.

A4 Material unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A5 Changes in estimates

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the financial period under review.

A6 Debt and equity securities

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

A7 Dividend paid

No dividend was paid during the quarter under review.

A8 Segment information

The segmental analysis of the Group's revenue and results by business segments are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 September 2025		30 September 2025	
	Unaudited	Unaudited	Unaudited	Unaudited
	External revenue RM'000	Loss before tax RM'000	External revenue RM'000	Profit/(Loss) before tax RM'000
IT Infrastructure Solutions	8,735	(1,076)	18,339	(2,049)
Cybersecurity Solutions	5,167	(1,054)	8,304	(1,614)
Managed IT Services and IT Services	3,103	689	7,210	1,341
Trading of Ancillary Hardware and Software	563	(12)	1,262	(85)
	17,568	(1,453)	35,115	(2,407)

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current six-month period ended 30 September 2025.

A9 Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment in the current quarter.

A10 Material events subsequent to the end of the quarter

There was no material event during the current financial quarter under review that has not been reflected in the condensed consolidated interim financial report.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A12 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group for the quarter under review.

A13 Capital commitments

There were no capital commitments in the Group for the quarter under review.

A14 Related party transactions

There were no material related party transactions during the quarter under review.

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 September 2025 RM'000	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000
Rental expenses paid to Director of the Company	14	-	27	-
Rental expenses paid to company controlled by Director of the Company	21	-	42	-
Rental expenses paid to related party of the Company	20	-	39	-

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current six-month period ended 30 September 2025.

A15 Fair value information

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter under review.

B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MAIN MARKET

B1 Review of performance

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 September 2025 RM'000	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000
Revenue	17,568	-	35,115	-
Gross profit	5,165	-	11,053	-
Loss before tax ("**LBT**")	(1,453)	-	(2,407)	-
Loss after tax	(1,321)	-	(2,304)	-

Current/cumulative quarter

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current six-month period ended 30 September 2025.

B2 Comparison with immediate preceding quarter's results

	Current Quarter	Preceding Quarter
	30 September 2025 RM'000	30 June 2025 RM'000
Revenue	17,568	17,547
Gross profit	5,165	5,888
Loss before tax ("**LBT**")	(1,453)	(954)
Loss after tax	(1,321)	(983)

The Group recorded revenue of RM17.57 million during the quarter under review, a marginal increase compared to RM17.55 million in the immediate preceding quarter ended 30 June 2025. The slight improvement in revenue was mainly attributable to higher contributions from the cybersecurity solutions segment.

The Group reported a gross profit margin of 29.40% for the quarter under review, a decrease from 33.56% reported in the preceding quarter ended 30 June 2025. This decline was primarily driven by lower margins recorded from cybersecurity solutions segment and IT infrastructure solutions segment.

Due to lower other income and a reduced gross profit margin while administrative expenses remained largely unchanged over the two consecutive quarters, the Group reported a higher LBT of approximately RM1.45 million, compared to RM0.95 million in the immediate previous quarter ended 30 June 2025.

B3 Prospects

The Group recognizes the operational and financial headwinds experienced over the past two quarters and is taking decisive steps to strengthen its foundation, improve execution, and realign with high-growth vectors in the global IT landscape. Against this backdrop, the accelerating pace of digital transformation across Asia continues to present substantial opportunities. The Group remains strategically positioned to serve key markets—including Malaysia, Singapore, India, and China—where digital adoption is being propelled by government-led initiatives, expanding digital infrastructure, rising internet penetration, and a surge in enterprise and consumer demand for next-generation technologies.

Globally, the IT services market, valued at USD 1.5 trillion in 2024, is projected to grow at a CAGR of 9.4% through 2030, with AI, intelligent automation, and data analytics emerging as critical growth levers. Similarly, the cybersecurity market, valued at USD 245.6 billion in 2024, is forecast to expand at a CAGR of 12.9%, reflecting heightened enterprise focus on resilience amid escalating threats and compliance requirements. Additionally, sustainability imperatives are reshaping IT priorities, with growing demand for energy-efficient cloud solutions, green data centers, and ESG-aligned digital services.

In response to both market opportunities and recent performance gaps, the Group is accelerating its strategic pivot: refining its service portfolio to emphasize AI-enabled solutions, cybersecurity, and sustainable IT; enhancing delivery efficiency through automation and talent upskilling; and deepening client partnerships through outcome-based engagement models. The Board has reinforced governance oversight and is working closely with management to ensure disciplined execution, cost optimization, and capital allocation aligned with long-term value creation.

While macroeconomic volatility and geopolitical complexities persist, the Group's regional expertise, diversified client base, and renewed strategic focus provide a solid platform for recovery and sustainable growth. The Board remains confident that, with focused execution and agility, the Group can navigate near-term challenges, rebuild momentum, and capitalize on the structural tailwinds shaping the future of the global IT services industry.

B4 Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30 September 2025 RM'000	**Unaudited 30 September 2024 RM'000**	**Unaudited 30 September 2025 RM'000**	**Unaudited 30 September 2024 RM'000**
Income tax expense:				
Current financial period	(39)	-	(100)	-
Under provision in prior years	(1)	-	(2)	-
	(40)	-	(102)	-
Movement in deferred tax:				
Origination and reversal of temporary differences	172	-	205	-
Under provision in prior years	-	-	-	-
	172	-	205	-
Total tax expense	132	-	103	-
Effective tax rate[(1)]	9.1%	-	22.6%	-

B4 Taxation (continued)

Note:

(1) The effective tax rate for the current quarter is lower than the statutory tax rate mainly due to losses incurred resulting in a current tax benefit from the potential carryback of eligible tax losses for the current quarter and the period under review.

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current six-month period ended 30 September 2025.

B5 Status of corporate proposals announced but not completed

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

B6 Borrowings

The Group has no borrowings as at 30 September 2025.

B7 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public documents.

B8 Material litigation

The Group has no outstanding material litigation as at the date of this interim report.

B9 Dividend

No dividends had been declared in respect of the current quarter under review.

B10 Loss per share

The basic and diluted loss per share for the current quarter is calculated as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Loss attributable to owners of the Company (RM'000)	(1,321)	-	(2,304)	-
Weighted average number of Shares in issue ('000)	363,229	-	363,229	-
Basic loss per Share (sen) (1)	(0.36)	-	(0.63)	-
Diluted loss per Share (sen) (1)	(0.36)	-	(0.63)	-

Note:
(1) Basic and diluted loss per share is calculated by dividing the loss after tax attributable to owners of the Company by the weighted average number of Shares in issue during the financial period under review.

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current six-month period ended 30 September 2025.

B11 Loss before tax

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 September 2025 RM'000	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000
Loss before tax is arrived at after charging/(crediting):				
Allowance for impairment losses on				
inventories	-	-	5	-
trade receivables	230	-	230	-
Depreciation of equipment	1,054	-	2,199	-
Depreciation of right-of-use assets	(24)	-	(211)	-
Fair value gain on short-term investments	(4)	-	(5)	-
Interest expense	9	-	14	-
Interest income	(1)	-	(220)	-
Unrealised loss on foreign exchange	(21)	-	440	-

The financial year end of the Group has been changed from 31 December to 31 March for the financial period of 2024. The previous reporting financial period was for a period of 15 months, made up from 1 January 2024 to 31 March 2025. As such, there are no comparative figures for the current six-month period ended 30 September 2025.

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

By order of the Board of Directors
Infoline Tec Group Berhad
26 November 2025

INFOLINE TEC GROUP BERHAD

Registration No. 202101032489 (1432789-M)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

THIRD QUARTER ENDED 30 SEPTEMBER 2024

29 OCTOBER 2024

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE QUARTER 9 MONTHS ENDED	
	UNAUDITED 30 September 2024 RM'000	**UNAUDITED 30 September 2023 RM'000**	**UNAUDITED 30 September 2024 RM'000**	**UNAUDITED 30 September 2023 RM'000**
Revenue	30,451	16,303	72,502	45,014
Cost of sales	(13,427)	(7,310)	(42,144)	(22,891)
Gross profit	17,024	8,993	30,358	22,123
Other income	64	2,479	481	3,321
Administrative expenses	(4,424)	(3,380)	(13,462)	(8,429)
Other expenses	(2,264)	(910)	(4,314)	(2,772)
Finance costs	(11)	(25)	(35)	(37)
Profit before tax	10,389	7,157	13,028	14,206
Income tax expense	(2,347)	(1,954)	(3,413)	(2,858)
Profit after tax attributable to the owners of the Company	8,042	5,203	9,615	11,348
Other comprehensive income				
- Foreign currency translation differences	(1,260)	251	(1,448)	157
Total comprehensive income for the period attributable to the owners of the Company	6,782	5,454	8,167	11,505
Basic earnings per share (sen)	2.21	1.43	2.65	3.12
Diluted earnings per share (sen)	2.21	1.43	2.65	3.12

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	UNAUDITED AS AT 30 September 2024 RM'000	AUDITED AS AT 31 December 2023 RM'000
ASSETS		
Non-current assets		
Equipment	14,716	14,547
Right-of-use assets	647	781
Deferred tax assets	1,615	449
Intangible assets	1,115	-
Goodwill	3,448	3,448
	21,541	**19,225**
Current assets		
Inventories	739	788
Contract cost assets	7,367	7,165
Trade receivables	31,986	29,115
Other receivables, deposits and prepayments	3,725	2,739
Current tax assets	26	30
Short-term investments	7,192	10,780
Cash and bank balances	9,433	8,445
	60,468	**59,062**
Total assets	**82,009**	**78,287**
EQUITY AND LIABILITIES		
Equity		
Share capital	36,935	36,935
Retained profits	36,569	31,967
Reserves	(12,938)	(11,490)
Total equity	**60,566**	**57,412**
Non-current liabilities		
Contract liabilities	2,016	1,836
Lease liabilities	278	388
Term loan	-	119
Other payables and accruals	1,422	2,512
Deferred tax liabilities	234	23
	3,950	**4,878**

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

	UNAUDITED AS AT 30 SEPTEMBER 2024 RM'000	AUDITED AS AT 31 December 2023 RM'000
Current Liabilities		
Trade payables	4,668	6,343
Other payables and accruals	3,075	3,070
Contract liabilities	8,528	5,215
Lease liabilities	388	408
Current tax liabilities	834	854
Term loan	-	107
	17,493	**15,997**
Total liabilities	**21,443**	**20,875**
Total equity and liabilities	**82,009**	**78,287**
Net assets per share attributable to owners of the Company (RM)	0.17	0.16

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

INFOLINE TEC GROUP BERHAD
(Registration No. 202101032489) (1432789-M))
(Incorporated in Malaysia)

INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Non-Distributable				Distributable	
	Share Capital	Foreign Exchange Translation Reserve	Statutory Reserve	Merger Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	36,935	328	154	(11,972)	31,967	57,412
Distributions to owners of the Company:						
Dividend paid	-	-	-	-	(5,013)	(5,013)
Total transaction with owners	-	-	-	-	(5,013)	(5,013)
Profit for the financial period	-	-	-	-	9,615	9,615
Foreign exchange translation	-	(1,448)	-	-	-	(1,448)
Total comprehensive income	-	(1,448)	-	-	9,615	8,167
Balance as at 30 September 2024	36,935	(1,120)	154	(11,972)	36,569	60,566

AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONT'D)

	Non-Distributable				Distributable	
	Share Capital	Foreign Exchange Translation Reserve	Statutory Reserve	Merger Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023	36,935	105	154	(11,972)	25,064	50,286
Distributions to owners of the Company:						
Dividend paid	-	-	-	-	(8,027)	(8,027)
Total transaction with owners	-	-	-	-	(8,027)	(8,027)
Profit for the financial period	-	-	-	-	11,348	11,348
Foreign exchange translation	-	157	-	-	-	157
Total comprehensive income	-	157	-	-	11,348	11,505
Balance as at 30 September 2023	36,935	262	154	(11,972)	28,385	53,764

The above unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	CURRENT PERIOD TO DATE	PRECEDING PERIOD TO DATE
	30 September 2024	30 September 2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,028	14,206
Adjustments for:		
Allowance for slow moving on inventories	104	115
Writeback for impairment losses on allowance for doubtful debts	-	(1,898)
Depreciation of equipment	2,563	1,437
Depreciation of right-of-use assets	313	238
Amortisation of intangible assets	294	442
Fair value gain on short-term investments	(59)	-
Interest expense	35	37
Interest income	(221)	(253)
Unrealised loss/(gain) on foreign exchange	821	(763)
Operating profit before working capital changes	**16,878**	**13,651**
Increase in inventories	(55)	(12)
(Increase)/Decrease in trade and other receivables	(2,657)	217
Decrease in trade and other payables	(3,114)	(3,127)
Increase in contract cost assets	(114)	(286)
Increase in contract liabilities	3,333	66
Increase in deferred liability	-	2,776
Cash from operations	**14,271**	**13,195**
Income tax paid	(4,171)	(3,877)
Income tax refund	-	45
NET CASH FROM OPERATING ACTIVITIES	**10,100**	**9,363**
CASH FLOWS FOR INVESTING ACTIVITIES		
Addition of short-term investments	59	-
Purchase of equipment	(2,844)	(2,731)
Purchase of intangible assets	(1,408)	(5,714)
Interest received	221	326
Acquisition of a subsidiary	-	(4,663)
NET CASH FOR INVESTING ACTIVITIES	**(3,972)**	**(12,782)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONT'D)

	CURRENT PERIOD TO DATE 30 September 2024 RM'000	PRECEDING PERIOD TO DATE 30 September 2023 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(5,013)	(8,027)
Interest paid	(35)	(37)
Repayment of lease liabilities	(351)	(235)
Repayment of term loan	(208)	(9)
NET CASH FOR FINANCING ACTIVITIES	**(5,607)**	**(8,308)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**521**	**(11,727)**
EFFECT OF FOREIGN EXCHANGE TRANSLATION	(3,121)	127
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	19,225	37,884
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**16,625**	**26,284**

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of preparation

The interim financial report of Infoline Tec Group Berhad ("**Infoline Tec**" or the "**Company**") and its subsidiaries (collectively, the "**Group**") is unaudited and had been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards ("**MFRSs**") 134 "Interim Financial Reporting" and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed interim financial report are consistent with the audited financial statements of the Group for the financial year ended 31 December 2023.

Statement of compliance

The unaudited interim financial statements of the Group have been prepared in accordance with the MFRSs and International Financial Reporting Standards ("**IFRSs**").

The Group has adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Interpretations that are mandatory for the current financial year:

MFRSs and/or IC Interpretations

MFRS 17: Insurance Contracts
Amendments to MFRS 17: Insurance Contracts
Amendments 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 combined financial statements.

A1 Basis of preparation (continued)

Amendments/Improvements to MFRSs

The Group has not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
	Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 121	Lack of Exchangeability	1 January 2025
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
MFRS 101	Non-current Liabilities with Covenants	1 January 2024
MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024

The Group plans to adopt the above applicable new MFRSs and amendments/ improvements to MFRSs when they become effective and that the adoption of these standards and amendments are not expected to have any material impact on the financial statements of the Group in the year of initial application.

A2 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2023 was not qualified.

A3 Seasonal or cyclical factors

The Group's operations were not subjected to any significant seasonal or cyclical factors.

A4 Material unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A5 Changes in estimates

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the financial period under review.

A6 Debt and equity securities

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

A7 Dividend paid

No dividend was paid during the quarter under review.

A8 Segment information

The segmental analysis of the Group's revenue and results by business segments are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2024		30 September 2024	
	External revenue	Profit before tax	External revenue	Profit before tax
	RM'000	RM'000	RM'000	RM'000
IT Infrastructure Solutions	13,817	4,402	38,974	6,219
Cybersecurity Solutions	4,169	488	12,469	127
Managed IT Services and IT Services	11,574	5,384	18,237	6,621
Trading of Ancillary Hardware and Software	891	115	2,822	61
	30,451	10,389	72,502	13,028

A8 Segment information (continued)

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2023		30 September 2023	
	External revenue RM'000	Profit before tax RM'000	External revenue RM'000	Profit before tax RM'000
IT Infrastructure Solutions	12,000	4,558	31,081	8,080
Cybersecurity Solutions	429	116	1,917	425
Managed IT Services and IT Services	3,352	2,370	10,023	5,679
Trading of Ancillary Hardware and Software	522	113	1,993	22
	16,303	7,157	45,014	14,206

A9 Valuation of property, plant and equipment

The Group did not carry out any valuation on its property, plant and equipment in the current quarter.

A10 Material events subsequent to the end of the quarter

There was no material event during the current financial quarter under review that has not been reflected in the condensed consolidated interim financial report.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A12 Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets in the Group for the quarter under review.

A13 Capital commitments

There were no capital commitments in the Group for the quarter under review.

A14 Related party transactions

There were no material related party transactions during the quarter under review.

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Rental expenses paid to Director of the Company	14	12	40	38
Rental expenses paid to company controlled by Director of the Company	20	18	59	44
Rental expenses paid to related party of the Company	19	12	46	36

A15 Fair value information

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1 Review of performance

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Revenue	30,451	16,303	72,502	45,014
Gross profit	17,024	8,993	30,358	22,123
Profit before tax ("**PBT**")	10,389	7,157	13,028	14,206
Profit after tax	8,042	5,203	9,615	11,348

Current quarter

The Group's revenue for the quarter under review was approximately RM30.45 million, which is RM14.15 million or 86.81% higher than the preceding year's corresponding quarter of approximately RM16.30 million. The increase in the revenue during the current quarter was mainly due to increase revenue contribution from our managed IT services and increase delivery of IT infrastructure solutions and cybersecurity solutions compared to preceding year's corresponding quarter.

The overall Group's gross profit margin for the quarter under review was marginally higher at 55.91% compared to the preceding year's corresponding quarter of 55.16% mainly due to slight improvement in GP margin for IT infrastructure solutions and cybersecurity solutions.

However, the Group recorded lower PBT margin of 34.12% compared to 43.90% in the preceding year corresponding quarter mainly due to higher administrative expenses and other expenses such as higher legal and professional fees in relation to the proposed transfer of listing exercise, higher entertainment expenses, transportation and traveling expenses, expenses incurred for ISO 27001 certification, depreciation of fixed assets and rights of use assets. Further, the staff salaries and related costs were higher due to the increase in headcount as the Group prepares for the future growth in its business activities.

Cumulative quarter (9 months)

The Group recorded revenue of approximately RM72.50 million for the 9-month financial period ended 30 September 2024 as compared to the preceding year's corresponding period of approximately RM45.01 million, representing an increase of approximately RM27.49 million or approximately 61.08%. The increase in revenue was attributable to delivery and completion of new IT infrastructure solutions projects and cybersecurity projects as well as increase in managed IT services and other IT services, trading of ancillary hardware and software for the current financial period ended 30 September 2024.

For the 9-month financial period ended 30 September 2024, the Group recorded a lower gross profit margin of 41.87% compared to 49.15% in the same period last year as a result of the competitive pricing across all the Group's business segments which mainly took place during the first and second quarters of the current financial period.

The Group recorded higher administrative expenses and other expenses compared to the same financial period last year, mainly due to higher legal and professional fees in relation to the proposed transfer of listing exercise, higher entertainment expenses, transportation and traveling expenses, expenses incurred for ISO 27001 certification, depreciation of fixed assets and rights of use assets. Further, the staff salaries and related costs were higher due to the increase in the headcount to cater for the future growth of the Group.

B1 Review of performance (continued)

Cumulative quarter (9 months) (continued)

As a result of lower margin coupled with higher administrative expenses and other expenses, the Group recorded a lower PBT of approximately RM13.03 million, in contrast to RM14.21 million reported during the preceding year corresponding period.

B2 Comparison with immediate preceding quarter's results

	Current Quarter	Preceding Quarter
	30 September 2024	30 June 2024
	RM'000	RM'000
Revenue	30,451	19,621
Gross profit	17,024	7,199
Profit before tax ("**PBT**")	10,389	1,917
Profit after tax	8,042	1,348

The Group recorded revenue of RM30.45 million during the quarter under review which was higher compared to RM19.62 million in the immediate preceding quarter ended 30 June 2024. The increase in the revenue was mainly due to higher contribution from managed IT services and IT services, increase in completion and delivery of IT infrastructure solutions and trading of ancillary hardware and software in comparison with the immediate preceding quarter ended 30 June 2024.

The overall Group's gross profit margin for the quarter under review was higher at 55.91% compared to 36.69% recorded in the immediate preceding quarter ended 30 June 2024 mainly due to improved margins across all business segments except for cybersecurity solutions whereby the gross profit margin was similar to the gross profit margin for the immediate preceding quarter.

Accordingly, the Group reported a higher PBT of approximately RM10.39 million during the current quarter under review as compared to approximately RM1.92 million in the immediate preceding quarter ended 30 June 2024.

B3 Prospects

The global IT services market size was valued at USD 1.36 trillion in 2023 and is projected to grow at a CAGR of 9.5% from 2024 to 2030. With the growing adoption of cloud computing, edge computing, and the Internet of Things (IoT), businesses are seeking scalable, resilient, and efficient infrastructure solutions. This trend is further accelerated by the increasing need for remote work solutions, enhanced storage capacities, and robust networks to support modern applications and services. The growing popularity and adoption of artificial intelligence (AI) and machine learning (ML) tools, coupled with strong demand for big data and analytics solutions, are expected to drive industry growth in the coming years. Additionally, the continued development of the IoT and connected devices ecosystem, along with the increasing need to comply with data privacy regulations, will further support this expansion.

In the cybersecurity solutions market, the prospects are equally strong, driven by a surge in cyberattacks, data breaches, and growing regulatory requirements. Organizations are investing more in protecting their critical data, systems, and networks from evolving threats. As the use of cloud-based services, AI-driven automation, and IoT expands, the attack surface for cybercriminals also widens. This has created a burgeoning demand for advanced cybersecurity solutions, including zero-trust architectures, threat detection and response systems, encryption technologies, and managed security services.

B3 Prospects (continued)

In response to the market development especially to the Cybersecurity front, the official launch of Infoline Cyberwatch Center by Infoline Group in June 2024, which offers more comprehensive suite of services to its clientele, shall contribute positively not only to the revenue growth of the Group, but also improve the overall profitability of the Group moving forward.

The Board of Directors is confident that the management team is able to identify and leverage all the potential promising market opportunities. By remaining attuned to market trends, the Group is well positioned to navigate the competitive landscape and maintain its edge over competitors.

B4 Taxation

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Income tax expense:				
Current financial period	(3,029)	(1,395)	(4,339)	(2,299)
Underprovision in prior years	(11)	(559)	(11)	(559)
	(3,040)	(1,954)	(4,350)	(2,858)
Movement in deferred tax:				
Origination and reversal of temporary differences	(196)	-	(74)	-
Overprovision in prior years	889	-	1,011	-
	693	-	937	-
Total tax expense	(2,347)	(1,954)	(3,413)	(2,858)
Effective tax rate(1)	22.6%	27.3%	26.2%	20.1%

Note:

(1) *The effective tax rate for the current quarter is lower than the statutory tax rate due to overprovision of deferred tax in prior years. The effective tax rate for the cumulative quarter is higher than the statutory tax rate due to loss incurred in subsidiaries and certain expenses which are not deductible for tax purposes.*

B5 Status of corporate proposals announced but not completed

Save as disclosed below, there were no other corporate proposals announced but not implemented as at the date of this interim financial report.

On 25 April 2024, MIDF Amanah Investment Bank Berhad ("**MIDF Investment**") had, on behalf of the Board, made an announcement to Bursa Securities for Infoline Tec on the Proposed Transfer of Listing from the ACE Market to the Main Market of Bursa Securities ("**Proposed Transfer**"), and had subsequently submitted an application for the Proposed Transfer to the Securities Commission Malaysia ('**SC**") on 24 June 2024.

B5 Status of corporate proposals announced but not completed (continued)

The SC had, vide its letter dated 15 October 2024, which was received by MIDF Investment on 16 October 2024, approved the Proposed Transfer under Section 214(1) of the Capital Markets and Services Act 2007 and under the Bumiputera equity requirement for public listed companies pursuant to the Proposed Transfer.

Further, in compliance with Paragraph 2A.2 under Practice Note 22 of the Main Market Listing Requirements of Bursa Securities, additional information on the Company has been announced on Bursa Securities upon the receipt of the approval letter from the SC for the Proposed Transfer on 16 October 2024.

Following the above, MIDF Investment had, on behalf of the Company, submitted an application for the Proposed Transfer to Bursa Securities on 25 October 2024.

B6 Borrowings

The Group's borrowings as at 30 September 2024 were as follows:

	30 September 2024 RM'000	31 December 2023 RM'000
Non-current		
Unsecured		
Term loan	-	119
Current		
Secured		
Term loan	-	107

Details of the borrowings denominated in each currency are as follows.

	Foreign Currency '000	RM Equivalent '000
Singapore Dollar	65	226

B7 Profit forecast / Profit guarantee

The Group did not issue any profit forecast or profit guarantee in any public documents.

B8 Material litigation

The Group has no outstanding material litigation as at the date of this interim report.

B9 Dividend

The Board of Directors has declared an interim single tier tax-exempt dividend of 0.79 sen per ordinary share, amounting to approximately RM2.87 million in respect of the financial year ending 31 December 2024. The dividend will be paid on 28 November 2024 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 15 November 2024.

B10 Earnings per share

The basic and diluted earnings per share for the current quarter and financial period is calculated as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2024	**30 September 2023**	**30 September 2024**	**30 September 2023**
Profit attributable to owners of the Company (RM'000)	8,042	5,203	9,615	11,348
Weighted average number of Shares in issue ('000)	363,229	363,229	363,229	363,229
Basic earnings per Share (sen) (1)	2.21	1.43	2.65	3.12
Diluted earnings per Share (sen) (1)	2.21	1.43	2.65	3.12

Note:

(1) Basic and diluted earnings per share is calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of Shares in issue during the financial period under review.

B11 Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Profit before tax is arrived at after charging/(crediting):				
Allowance for slow moving on inventories	-	-	104	115
Writeback for impairment losses on allowance for doubtful debts	-	(1,898)	-	(1,898)
Amortisation of intangible assets	294	265	294	442
Depreciation of equipment	900	515	2,563	1,437
Depreciation of right-of-use assets	107	100	313	238
Fair value gain on short-term investments	(1)	-	(59)	-
Interest expense	11	25	35	37
Interest income	(82)	(115)	(221)	(253)
Unrealised loss/(gain) on foreign exchange	961	(161)	821	(763)

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

By order of the Board of Directors
Infoline Tec Group Berhad
29 October 2024