



**CLOUDARON GROUP BERHAD**  
(Registration No. 201701016516 (1230681-M))  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR  
ENDED 31 MARCH 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 OR 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 CLOUDARON GROUP BERHAD (“CLOUDARON” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

**CLOUDARON GROUP BERHAD**  
(Registration No. 201701016516 (1230681-M))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021<sup>(1)</sup>**

	As at 30.03.2021 Unaudited RM'000	As at 31.03.2020 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	135	144
Intangible assets	62,806	62,481
Right-of-use assets	49	-
Trade and other receivables	8,469	1,351
<b>Total non-current assets</b>	<b>71,459</b>	<b>63,976</b>
<b>Current assets</b>		
Inventories	320	3,200
Contract assets	3,300	5,006
Trade and other receivables	20,100	30,453
Tax recoverable	377	75
Cash and bank balances	14,378	1,715
<b>Total current assets</b>	<b>38,475</b>	<b>40,449</b>
<b>Total assets</b>	<b>109,934</b>	<b>104,425</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Equity</b>		
Share capital	52,643	52,643
Merger reserve	(7,496)	(7,496)
Translation reserve	1,340	1,049
Retained earnings	29,477	27,463
	75,964	73,659
Non-controlling interest	<b>1,390</b>	<b>(5)</b>
<b>Total equity</b>	<b>77,354</b>	<b>73,654</b>
<b>Non-current liabilities</b>		
Lease liabilities	17	1
Borrowing	5,669	717
Deferred tax liabilities	348	513
<b>Total non-current liabilities</b>	<b>6,034</b>	<b>1,231</b>
<b>Current liabilities</b>		
Contract liabilities	4,576	3,036
Trade and other payables	19,088	24,149
Lease liabilities	34	4
Borrowing	2,740	1,554
Tax payable	108	797
<b>Total current liabilities</b>	<b>26,546</b>	<b>29,540</b>
<b>Total liabilities and equity</b>	<b>109,934</b>	<b>104,425</b>
<b>Net assets per share (sen)<sup>(2)</sup></b>	<b>9.31</b>	<b>8.86</b>

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*Notes:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 of the Company and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net assets per share is calculated based on the Company's number of ordinary shares in issue of 831,188,488 as at the end of the financial reporting period.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND HALF-YEAR ENDED 31 MARCH 2021<sup>(1)</sup>**

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>28,313</b>	<b>40,606</b>	<b>61,911</b>	<b>66,614</b>
Cost of sales	(21,600)	(33,306)	(46,757)	(51,401)
<b>Gross profit</b>	<b>6,713</b>	<b>7,300</b>	<b>15,154</b>	<b>15,213</b>
Other income	1,242	1,412	2,570	1,529
Administrative expenses	(6,139)	(5,598)	(10,966)	(10,158)
Selling and distribution expenses	(1,231)	(1,306)	(2,545)	(2,684)
Impairment loss on financial assets	904	(300)	243	(300)
Finance costs	(901)	190	(1,026)	(113)
<b>Profit before taxation ("PBT")</b>	<b>588</b>	<b>1,698</b>	<b>3,430</b>	<b>3,487</b>
Taxation	570	254	(20)	(528)
<b>Net profit for the financial period</b>	<b>1,158</b>	<b>1,952</b>	<b>3,410</b>	<b>2,959</b>
<b>Other comprehensive income</b>				
Items that are or may be reclassified subsequently to profit or loss				
Exchange translation differences for foreign operations	269	(44)	290	271
<b>Total comprehensive income for the financial period</b>	<b>1,427</b>	<b>1,908</b>	<b>3,700</b>	<b>3,230</b>
<b>Net profit attributable to:</b>				
Owners of the Company	1,141	1,952	3,393	2,959
Non-controlling interest	17	-	17	-
<b>Net profit for the financial period</b>	<b>1,158</b>	<b>1,952</b>	<b>3,410</b>	<b>2,959</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	1,411	1,908	3,684	3,230
Non-controlling interest	16	-	16	-
<b>Total comprehensive income for the financial period</b>	<b>1,427</b>	<b>1,908</b>	<b>3,700</b>	<b>3,230</b>
<b>Earnings per ordinary share ("EPS") (sen):</b>				
- Basic	0.14	0.24	0.41	0.36
- Diluted	0.14	0.24	0.41	0.36

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*Note:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 of the Company and the accompanying explanatory notes attached to this interim financial report.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND HALF-YEAR ENDED 31 MARCH 2021<sup>(1)</sup>**

	← Non-distributable →			Distributable	Equity	Non-	Total	
	Share capital	Merger reserve	Translation reserve					Capital reserve
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance at 1 April 2020</b>	52,643	(7,496)	1,049	-	27,463	73,659	(5)	73,654
Total comprehensive income for the financial period								
Profit for the financial period	-	-	-	-	3,393	3,393	17	3,410
Other comprehensive income for the financial period	-	-	291	-	-	291	(1)	290
<b>Total</b>	-	-	291	-	3,393	3,684	16	3,700
Transaction with owners								
- disposal of equity interest in subsidiary companies	-	-	-	(1,379)	-	(1,379)	1,379	-
<b>Balance at 31 March 2021</b>	52,643	(7,496)	1,340	(1,379)	30,856	75,964	1,390	77,354

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND HALF-YEAR ENDED 31 MARCH 2020<sup>(1)</sup> (CONT'D)**

	← Non-distributable →				Distributable		Total equity RM'000
	Share capital	Merger reserve	Translation reserve	Other reserve	Retained earnings	Non-controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance at 1 April 2019</b>	52,643	(7,496)	778	3,164	16,095	-	65,184
Total comprehensive income for the financial period							
Profit for the financial period	-	-	-	-	2,959	-	2,959
Other comprehensive income for the financial period	-	-	271	-	-	-	271
<b>Total</b>	<b>-</b>	<b>-</b>	<b>271</b>	<b>-</b>	<b>2,959</b>	<b>-</b>	<b>3,230</b>
Transaction with owners, recognised directly in equity	-	-	-	(3,164)	8,409	(5)	5,240
<b>Balance at 31 March 2020</b>	<b>52,643</b>	<b>(7,496)</b>	<b>1,049</b>	<b>-</b>	<b>27,463</b>	<b>(5)</b>	<b>73,654</b>

*Note:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 of the Company and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND HALF-YEAR ENDED 31 MARCH 2021<sup>(1)</sup>**

	12 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	3,430	3,488
Adjustments for:		
Amortisation of intangible assets	655	583
Depreciation of property, plant and equipment	105	240
Depreciation of right-of-use assets	16	-
Bad debts written off	39	24
Fair value gain on contingent consideration payable	-	47
Gain arising from non-fulfillment of contingent consideration	(255)	(119)
Gain on disposal of property, plant and equipment	14	(1) <sup>(2)</sup>
Impairment losses on trade receivables	89	139
Impairment losses on other receivables	-	202
Reversal of impairment losses on trade receivables	(131)	(41)
Reversal of impairment losses on other receivables	(202)	-
Unrealised gain on foreign exchange	(524)	(169)
Waiver on amount due to other payables	-	(787)
Imputed interest expenses	751	-
Interest income	(1) <sup>(2)</sup>	(1) <sup>(2)</sup>
Interest expense	275	113
Operating profit before working capital changes	4,261	3,718
Changes in working capital		
Inventories	2,880	(3,200)
Contract assets	1,706	663
Trade and other receivables	2,688	(8,160)
Contract liabilities	1,540	765
Trade and other payables	(5,105)	10,143
Cash (used in)/generated from operations	7,970	3,929
Income tax refunded	-	159
Income tax paid	(1,191)	(897)
Interest received	1 <sup>(2)</sup>	1 <sup>(2)</sup>
Interest paid	-	(91)
Net cash (used in)/generated from operating activities	6,780	3,101
<b>Cash flows from investing activities</b>		
Net cash outflows from acquisition of subsidiary companies	-	(644)
Proceeds from disposal of plant and equipment	13	1
Purchase of property, plant and equipment	(123)	(23)
Software development expenditure	(245)	(3,818)
Net cash used in investing activities	(355)	(4,484)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND HALF-YEAR ENDED 31 MARCH 2021<sup>(1)</sup> (CONT'D)**

	12 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Drawdown of trade financing loan	8,574	1,311
Repayment of trade financing loan	(2,386)	(1,082)
Net changes in amount due to Directors	300	(1) <sup>(2)</sup>
Repayments of lease liabilities	(19)	(3)
Interest paid	(310)	-
Net cash generated from/(used in) financing activities	6,159	225
Net increase/(decrease) in cash and cash equivalents	12,584	(1,158)
Effect of exchange translation differences on cash and cash equivalents	79	194
Cash and cash equivalents at beginning of the financial period	1,715	2,679
<b>Cash and cash equivalents at end of the financial year</b>	14,378	1,715

*Notes:*

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Audited Report and Financial Statements for the financial year ended 31 March 2020 of the Company and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Less than RM1,000.*

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 31 MARCH 2021**

**A1. BASIS OF PREPARATION**

The interim financial statements of Cloudaron and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting.

This is the interim financial report on the consolidated results for the second half-year ended 31 March 2021 announced by the Company in compliance with Rule 6.12 of the LEAP Market Listing Requirements of Bursa Securities (“**Listing Requirements**”).

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial report.

**A2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited consolidated financial statements for the financial year ended 31 March 2020 except for the following:

	<b>Effective date</b>
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Revised Conceptual Framework for Financial Reporting (the Conceptual Framework)	1 January 2020
Amendments to MFRS 16 Covid-19-Related Rent Concessions	1 June 2020

The initial application of the above-mentioned standards and amendments do not have any material impacts to the current and prior period financial statements upon their first adoption.

The Group has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by Malaysian Accounting Standard Board but are not yet effective for the Group:

<b>MFRSs</b>	<b>Effective date</b>
Amendment to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform - Phase 2	1 January 2021
Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137 Onerous Contracts–Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 31 MARCH 2021 (CONT'D)**

**A3. SEASONAL OR CYCLICAL FACTORS**

Based on previous years' record, the revenues are generally stronger for the second half of the financial year due to clients utilising the remainder of their annual IT budgets.

**A4. UNUSUAL ITEMS**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

**A5. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates in the current financial period.

**A6. DEBT AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period and financial year-to-date under review:

**A7. SEGMENTAL INFORMATION**

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Enterprise solutions	13,605	37,401	32,431	55,489
Infrastructure services	8,470	2,019	21,673	4,826
Digital platforms	6,238	1,186	7,807	6,299
<b>Total</b>	<b>28,313</b>	<b>40,606</b>	<b>61,911</b>	<b>66,614</b>

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Singapore	13,822	37,046	31,799	57,063
Malaysia	13,416	2,056	26,899	5,456
North America	1,078	1,148	2,295	2,519
Hong Kong/China	-	-	-	441
Philippines	-	-	-	260
Others	(3)	356	918	875
<b>Total</b>	<b>28,313</b>	<b>40,606</b>	<b>61,911</b>	<b>66,614</b>

**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR ENDED 31 MARCH 2021 (CONT'D)**

**A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

There were no material events subsequent to the end of the current financial period.

**A9. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the current financial period.

**A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There are no contingent assets and contingent liabilities as at the date of this interim financial report.

**A11. CAPITAL COMMITMENTS**

There were no material capital commitments in respect of property, plant and equipment as at the end of the current financial period.

**B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. REVIEW OF PERFORMANCE**

a) Financial Year-to-date vs. Previous Financial Year-to-date

The Group recorded a revenue of RM61.91 million for the current financial year ended 31 March 2021, as compared to RM66.61 million in the previous financial year, representing a decrease of RM4.70 million or 7.06%.

The revenue of the Group for the financial year ended 31 March 2021 can be analysed as follows:

- (i) enterprise solutions business' revenue decrease by approximately RM23.06 million or 41.6% as compared to financial year ended 31 March 2020, was mainly due to shifting focus from equipment sales to solutions services which generate higher margin;
- (ii) infrastructure services business' revenue increased by approximately RM16.84 million or 348.7% as compared to last financial year; was mainly due to a project secured for supply of IT equipment in Malaysia; and
- (iii) digital platform business' revenue increased by approximately RM1.51 million or 23.9% as compared to last financial year, was mainly due to new digital platform projects secured during the current financial period.

Despite the Group's lower revenue recorded for the current financial year, the Group's gross profit margin increased to 24.48% as compared to 22.84% in the previous financial year. This is mainly due to higher margin project secured during the current financial year.

The Group recorded a profit before taxation ("PBT") of RM3.43 million for the financial year ended 31 March 2021 as compared to a PBT of RM3.49 million in the previous financial year, representing a decrease of RM0.06 million or 1.7%. The decrease in PBT was mainly due to higher finance cost.

b) Current Period vs. Previous Year Corresponding Period

The Group recorded a revenue of RM28.31 million for the current financial period ended 31 March 2021, as compared to RM40.61 million in the previous year corresponding period, representing a decrease of RM12.30 million or 30.3% was main due to enterprise solutions business shifting focus from equipment sales to solutions services which generate higher margin.

The Group recorded a PBT of RM0.59 million for the current financial period ended 31 March 2021 as compared to RM1.70 million in the previous year corresponding period, representing a decrease of RM1.11 million or 65.3% mainly due to higher administrative expenses and finance cost.

c) Current Period vs. Immediate Preceding Period

The Group recorded a revenue of RM28.31 million for the current financial period ended 31 March 2021, as compared to RM33.60 million in the immediate preceding period, representing a decrease of RM5.29 million or 15.7% was mainly due to infrastructure services business secured a project to supply of IT equipment during the immediate preceding period.

The Group recorded a PBT of RM0.58 million for the current financial period ended 31 March 2021 as compared to RM2.84 million in the immediate preceding period, representing a decrease of RM2.26 million or 79.6% was mainly due higher administrative expenses and finance cost as mentioned above.

**B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS (CONT'D)**

**B2. PROSPECTS**

In line with the Group's overall strategy, the Group continues to expand its digital platform services unit, enterprise services unit into AI Smart Cloud platform, and growing its technical managed services. These will support its shift to higher margin projects.

The Covid-19 pandemic continues to raise demand concerns, especially the Group's customers in the education and hospitality segments, and with the imposition of travel restrictions and border control has delayed implementation of projects. Under the foregoing circumstances, the Board is of view that the financial performance of the Group will remain challenging for the financial year ending 31 March 2022. As such, the Board will continue to closely monitor the situation and respond proactively to mitigate the impact on the Group's and the Company's financial performance and financial position.

**B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**C OTHER INFORMATION**

**C1. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals announced but pending completion as at the date of this financial report.

**C2. MATERIAL LITIGATION**

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

**C3. DIVIDENDS**

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

**C4. EARNINGS PER SHARE**

(i) The basic earnings per share for the current financial period and financial year-to-date are computed as follows:

	Individual 6 months ended		Cumulative 12 months ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	1,141	1,952	3,393	2,959
Weighted average number of ordinary shares in issue ('000)	831,188	831,188	831,188	831,188
Basic earnings per share (sen)	0.14	0.24	0.41	0.36

(ii) Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive instruments.