

GREEN PACKET BERHAD (534942-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2019

	Individual Quarter		Cumulative Quarter	
	3 Months Period Ended		6 Months Period Ended	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM '000	RM '000	RM '000	RM '000
Revenue	124,326	103,585	222,262	210,131
Operating expenses				
-Depreciation & amortisation	(1,548)	(659)	(3,198)	(1,339)
-Other operating costs	(136,728)	(109,573)	(242,297)	(217,775)
Other income	9,590	484	10,220	1,282
Loss from operations	(4,360)	(6,163)	(13,013)	(7,701)
Share of losses in associate companies	(770)	(515)	(1,674)	(1,943)
Finance costs	(5,058)	(4,802)	(10,056)	(9,414)
Loss before tax	(10,188)	(11,480)	(24,743)	(19,058)
Income tax expense	(730)	272	(952)	47
Loss for the period	(10,918)	(11,208)	(25,695)	(19,011)
Fair value gain on other quoted investment	37,729	-	38,034	2,137
Foreign currency translation differences for foreign operations	654	4,562	(831)	6,352
Total other comprehensive income/(expenses) for the period	38,383	4,562	37,203	8,489
Total comprehensive income/(loss) for the period	27,465	(6,646)	11,508	(10,522)
Loss attributable to:				
Owners of the Company	(9,311)	(10,215)	(23,195)	(17,268)
Non-controlling interests	(1,607)	(993)	(2,500)	(1,743)
Loss for the Period	(10,918)	(11,208)	(25,695)	(19,011)
Total comprehensive loss attributable to:				
Owners of the Company	29,072	(5,653)	14,008	(8,779)
Non-controlling interests	(1,607)	(993)	(2,500)	(1,743)
Total comprehensive income/(loss) for the period	27,465	(6,646)	11,508	(10,522)
Basic loss per ordinary share (sen):	(1.0)	(1.3)	(2.6)	(2.3)
Diluted loss per ordinary share (sen):	N/A	N/A	N/A	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

GREEN PACKET BERHAD (534942-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	As at 30/6/2019 (Unaudited) RM '000	As at 31/12/2018 (Audited) RM '000
ASSETS		
Investment in associates	29,273	30,947
Property, plant and equipment	3,694	4,305
Right-of-use - property, plant and equipment	1,554	-
Other long term investments	317,834	270,292
Intangible Assets	11,622	11,622
Development costs	11,073	11,958
Total non-current assets	375,050	329,124
Inventories	26,486	18,102
Trade receivables	128,563	128,400
Other receivables, deposits and prepayments	29,856	30,089
Tax recoverable	1,913	3,474
Fixed deposits with licensed banks	23,590	35,629
Cash and bank balances	26,446	24,599
Total current assets	236,854	240,293
TOTAL ASSETS	611,904	569,417
EQUITY		
Share capital	141,860	597,375
Reserves	42,022	(427,213)
Total equity attributable to owners of the Company	183,882	170,162
Non-controlling interests	(4,048)	(1,548)
Total equity	179,834	168,614
LIABILITIES		
Long term borrowings	262,614	252,729
Hire purchase and lease liabilities	150	150
Deferred tax liabilities	2,084	2,359
Total non-current liabilities	264,847	255,238
Trade payables	122,292	107,934
Other payables and accruals	35,786	27,643
Short term borrowings	7,334	9,878
Hire purchase and lease liabilities	1,812	110
Total current liabilities	167,224	145,565
TOTAL LIABILITIES	432,070	400,803
TOTAL EQUITY AND LIABILITIES	611,904	569,417
Net asset per share attributable to ordinary equity holders of the parent (sen)	20	19

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

GREEN PACKET BERHAD (534942-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	-----Attributable to owners of the Company -----						Sub-total	Non-controlling Interests	Total Equity
	Non-Distributable								
	Shares Capital	Shares Premium	Foreign Exchange Translation Reserves	Treasury Shares	Fair Value Reserves / Warrants Reserves	Accumulated Losses			
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Unaudited									
At 1 January 2019	597,375	-	5,310	(12,217)	73,493	(493,799)	170,162	(1,548)	168,614
Cumulative effect of initial application of MFRS 16	-	-	-	-	-	(287)	(287)	-	(287)
	597,375	-	5,310	(12,217)	73,493	(494,086)	169,874	(1,548)	168,326
Fair value gain on other quoted investment	-	-	-	-	38,034	-	38,034	-	38,034
Foreign currency translation differences for foreign operations	-	-	(831)	-	-	-	(831)	-	(831)
Capital Reduction	(455,515)	-	-	-	-	455,515	-	-	-
Loss for the period	-	-	-	-	-	(23,195)	(23,195)	(2,500)	(25,695)
	(455,515)	-	(831)	-	38,034	432,320	14,008	(2,500)	11,508
At 30 June 2019	141,860	-	4,479	(12,217)	111,527	(61,766)	183,882	(4,048)	179,834

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

GREEN PACKET BERHAD (534942-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

	-----Attributable to Equity Holders of the Parent -----						Sub-total	Non-controlling Interests	Total Equity
	Non-Distributable								
	Shares Capital	Shares Premium	Foreign Exchange Translation Reserves	Treasury Shares	Fair Value Reserves / Warrants Reserves	Accumulated Losses			
RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	
Unaudited									
At 1 January 2018	155,880	412,796	4,438	(12,217)	40,328	(433,466)	167,758	1,723	169,481
Fair value gain on other quoted investment	-	-	-	-	2,137	-	2,137	-	2,137
Foreign currency translation differences for foreign operations	-	-	6,352	-	-	-	6,352	-	6,352
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(460)	(460)
Loss for the period	-	-	-	-	-	(17,268)	(17,268)	(1,743)	(19,011)
	-	-	6,352	-	2,137	(17,268)	(8,779)	(2,203)	(10,982)
At 30 June 2018	155,880	412,796	10,790	(12,217)	42,464	(450,734)	158,979	(480)	158,499

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

GREEN PACKET BERHAD (534942-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Financial period ended	
	30/6/2019	30/6/2018
	RM'000 (Unaudited)	RM'000 (Unaudited)
CASH FLOW (FOR)/FROM OPERATING ACTIVITIES		
Loss before taxation	(24,743)	(19,058)
Adjustments for non cash items:-		
Amortisation of development cost	1,730	234
Depreciation of property, plant and equipment	1,468	1,104
Impact of Adoption MFRS 16 Leases	(287)	-
Interest income	(457)	(136)
Interest expense	9,945	9,277
Share of loss of associates	1,674	1,943
Fair value gains	(9,508)	(533)
	<hr/>	<hr/>
Operating (loss)/profit before working capital changes	(20,178)	(7,169)
Changes in working capital		
Decrease/(Increase) in inventories	(8,384)	(11,206)
Decrease/(Increase) in assets	70	14,276
(Decrease)/Increase in liabilities	22,502	(23,220)
	<hr/>	<hr/>
Cash (for)/from operating activities	(5,990)	(27,319)
Interest received	453	136
Tax paid	334	(51)
	<hr/>	<hr/>
Net cash (for)/from operating activities	(5,203)	(27,234)
	<hr/>	<hr/>
CASH FLOW FOR INVESTING ACTIVITIES		
Acquisition of subsidiary	-	(1,099)
Purchase of property, plant and equipment	(168)	(460)
Development costs incurred	(845)	(2,492)
	<hr/>	<hr/>
Net cash for investing activities	(1,013)	(4,052)
	<hr/>	<hr/>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Drawdown/(Repayment) of borrowings	(2,593)	10,722
Net drawdown of fixed deposit pledged with a licensed bank	104	1,542
Impact of adoption MFRS 16 Leases - Borrowing	(490)	-
Repayment of hire purchase obligations	(60)	(68)
	<hr/>	<hr/>
Net cash from financing activities	(3,039)	12,196
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(9,255)	(19,089)
Foreign exchange translation differences	(836)	6,352
Cash and cash equivalents at the beginning of the financial period	53,429	33,128
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period	43,338	20,390
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	26,446	19,187
Fixed deposit with licensed bank	23,590	8,615
	<hr/>	<hr/>
	50,036	27,802
Fixed deposit pledged with licensed bank	(6,698)	(7,412)
	<hr/>	<hr/>
	43,338	20,390
	<hr/> <hr/>	<hr/> <hr/>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

A Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting

A1 Basis of preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of Chapter 9 Part K of the Main Listing Requirement of Bursa Malaysia Securities Berhad ("BMSB"). The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018.

A2 Changes in accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2018 except for MFRS 16 Leases which the Group has adopted from 1 January 2019.

MFRS 16 supercedes MFRS 117 : Leases, IC Interpretation 4 : Determining whether an Arrangement contains a Lease, IC Interpretation 115 : Operating Lease-Incentives and IC Interpretation 127 : Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard introduces a single lessee accounting model and requires a lessee to recognise a "rights-of-use" of the underlying asset and lease liability reflecting future payments for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 : Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in the income statement. For lessors, MFRS 16 retains most of the requirement in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The standard will affect primarily the accounting for the Group's operating leases. For these lease commitments, there is an increase in total assets and total liabilities due to the recognition of right-of-use assets and lease liabilities. The cumulative effect of initial application of MFRS 16 is adjusted to the opening balance of retained earnings at the date of initial application, as shown below:-

	RM'000
Retained earnings as at 1 January 2019, as previously stated	(493,799)
Cummulative effect of the intial application of MFRS 16	(287)
Retained earnings as at 1 January 2019, as restated	<u>(494,086)</u>

A3 Auditors' report on preceding annual financial statements

The auditors issued an unqualified audit opinion on the financial statements for the year ended 31 December 2018.

A4 Seasonal or cyclical of operations

The Group's operations were not materially affected by any seasonal and cyclical factors.

A5 Unusual items

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

A6 Material changes in estimates

There were no material changes in estimates of amounts reported in prior financial years, which may have a material effect in the current financial period under review.

A7 Changes in debts or equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the period ended 30 June 2019.

A8 Dividends payment

There were no dividends paid or proposed during the current financial period under review.

A9 Segmental information

Segmental information is provided based on geographical segment by customers' location as follows:-

Results for the financial period ended 30 June 2019	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	-	8,152	8,152
Communication Services	-	211,281	211,281
Digital Services	2,829	-	2,829
	<u>2,829</u>	<u>219,433</u>	<u>222,262</u>
Results			
Software and Devices	-	(6,569)	(6,569)
Communication Services	-	(3,602)	(3,602)
Digital Services	(9,791)	-	(9,791)
Investment Holding	6,492	-	6,492
	<u>(3,299)</u>	<u>(10,171)</u>	<u>(13,470)</u>
Finance costs			(10,056)
Finance income			457
			<u>(23,069)</u>
Share of net loss of associate			(1,674)
Loss before taxation			(24,743)
Income tax expense			(952)
Loss after taxation			(25,695)
Non-controlling interests			2,500
Loss after taxation & non-controlling interests			<u>(23,195)</u>

Results for the financial period ended 30 June 2018	Malaysia RM'000	Overseas RM'000	Group RM'000
Revenue			
Software and Devices	-	24,673	24,673
Communication Services	-	183,633	183,633
Digital Services	1,825	-	1,825
	<u>1,825</u>	<u>208,306</u>	<u>210,131</u>
Results			
Software and Devices	-	(1,136)	(1,136)
Communication Services	-	2,360	2,360
Digital Services	(7,598)	-	(7,598)
Investment Holding	(1,463)	-	(1,463)
	<u>(9,061)</u>	<u>1,224</u>	<u>(7,837)</u>
Finance costs			(9,414)
Finance income			136
			<u>(17,115)</u>
Share of net loss of associate			(1,943)
Loss before taxation			(19,058)
Income tax expense			47
Loss after taxation			(19,011)
Non-controlling interests			1,743
Loss after taxation & Non-controlling interests			<u>(17,268)</u>

A10 Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss.

A11 Material events subsequent to the end of the quarter

There is no material events subsequent to the end of the quarter except for the following :

a) Memorandum of Understanding with Bank Islam Malaysia Berhad

On 19 July 2019, the Company announced that Kiplepay Sdn Bhd ("KiplePay") (formerly known as Webonline Dot Com Sdn Bhd), a wholly-owned subsidiary of the Company, had on 18 July 2019, entered into a Memorandum of Understanding ("MOU") with Bank Islam Malaysia Berhad ("Bank Islam") (collectively referred to as "Parties" and individually as "Party") to work together in providing electronic wallet to retail customers for the purpose of payment collection for its merchants and payment for its customers.

A12 Changes in the composition of the Group

There is no change in the composition of the Group during the current financial period ended 30 June 2019 except for the following.

- a) On 7 January 2019, NGT Networks Pte Ltd, a wholly-owned subsidiary of the Company, has incorporated a wholly-owned indirect new subsidiary known as NGT Networks Global Limited under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), with an issued and paid-up share capital of HKD2.00.

A13 Contingent assets and changes in contingent liabilities

The Group does not have any contingent assets at the date of this announcement and there were no changes in contingent liabilities since the last annual balance sheet date.

A14 Capital commitments

The Group does not have any capital commitments at the date of this announcement.

A15 Significant related party transactions

The Directors of GPB are of the opinion that there are no related party transactions which would have material impact on the financial position and the business of the Group during the current financial period under review.

B Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities

B1 Review of the performance of the Group

Financial review for current quarter and financial period to date:-

	3 months quarter ended		% Change	6 months period ended		% Change
	30-Jun-19 RM million	30-Jun-18 RM million		30-Jun-19 RM million	30-Jun-18 RM million	
Revenue	124.33	103.58	20%	222.26	210.13	6%
Operating Loss	(4.36)	(6.16)	29%	(13.01)	(7.70)	-69%
EBITDA	(2.81)	(5.50)	49%	(9.82)	(6.36)	-54%
Loss Before Tax	(10.19)	(11.48)	11%	(24.74)	(19.06)	-30%
Loss After Tax	(10.92)	(11.21)	3%	(25.70)	(19.01)	-35%
Loss Attributable to Ordinary Equity Holders of the Parent	(9.31)	(10.22)	9%	(23.20)	(17.27)	-34%

Total revenue, EBITDA losses and loss after tax ("LAT") of the Group stands at approximately RM124.33 million, RM2.81 million and RM10.92 million respectively for the current financial quarter ended at 30 June 2019 ("2Q19").

Total revenue, EBITDA losses and loss after tax ("LAT") of the Group stands at approximately RM103.58 million, RM5.50 million and RM11.21 million respectively for the financial quarter ended at 30 June 2018 ("2Q18").

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	3 months quarter ended		% Change	6 months period ended		% Change
	30-Jun-19 RM million	30-Jun-18 RM million		30-Jun-19 RM million	30-Jun-18 RM million	
Software and Devices	5.55	6.11	-9%	8.15	24.67	-67%
Communication Services	117.31	96.17	22%	211.28	183.63	15%
Digital Services	1.47	1.31	12%	2.83	1.83	55%
Total	124.33	103.58	20%	222.26	210.13	6%

- Software and Devices business registered 9% lower sales in the current quarter compared to year on year basis mainly due to lower devices shipment to major customers in Middle East compared to the previous year corresponding quarter as the bulk of the orders in hand was only delivered in the subsequent quarter.
- The Communication Services business recorded a higher revenue of 22% in the current quarter as compared to the previous year on year mainly due to improved sales from most of the countries in ASEAN.
- The Digital Services business recorded a higher revenue of 12% in the current quarter as compared to the previous year on year mainly due to increase contribution from the Kasih Ibu Smart Selangor ("KISS"), Perak Prihatin ("PPP"), Kedah Ibu Darul Aman ("KIDA") and Setel project.

EBITDA comprises the following:-

	3 months quarter ended		% Change	6 months period ended		% Change
	30-Jun-19 RM million	30-Jun-18 RM million		30-Jun-19 RM million	30-Jun-18 RM million	
Software and Devices	(2.51)	(1.31)	-92%	(5.50)	(1.06)	-100%
Communication Services	(2.12)	0.55	-100%	(3.06)	2.76	-100%
Digital Services	(6.24)	(3.69)	-69%	(8.30)	(6.91)	-20%
Investment Holding	8.07	(1.05)	867%	7.05	(1.15)	712%
Total	(2.81)	(5.50)	49%	(9.82)	(6.36)	-54%

The EBITDA losses of RM2.81 million in the current quarter compared to a EBITDA losses of RM5.5 million in the previous corresponding quarter were mainly due to continue investment in business development costs consisting mainly of staff costs and sales/marketing costs incurred to build the Digital Services-Fintech business, lower revenue from the Software and Devices business and continue investment the build the Digital Services in Singapore under the Communication business, which was mitigated by fair value gain of RM9.43 million in a quoted investment.

Profit/ (Loss) after tax comprises the following:-

	3 months quarter ended		% Change	6 months period ended		% Change
	30-Jun-19	30-Jun-18		30-Jun-19	30-Jun-18	
	RM million	RM million		RM million	RM million	
Software and Devices	(2.98)	(1.31)	-100%	(6.56)	(1.11)	-100%
Communication Services	(2.99)	0.53	-100%	(4.29)	2.42	-100%
Digital Services	(6.97)	(4.04)	-73%	(9.72)	(7.60)	-28%
Investment Holding	7.85	(1.07)	833%	6.60	(1.36)	585%
	(5.09)	(5.89)	14%	(13.97)	(7.65)	-82%
Finance costs*	(5.06)	(4.80)	-5%	(10.06)	(9.41)	-7%
Share of loss of associate	(0.77)	(0.51)	-50%	(1.67)	(1.94)	14%
Total	(10.92)	(11.21)	3%	(25.70)	(19.01)	-35%

*Finance cost is mainly in relation to the Exchangeable Medium Term Notes.

Higher business development costs incurred for the Digital Services business, EBITDA losses from the Software and Devices and Communication Services business coupled with finance costs accrued from the Exchangeable Medium Term Notes, which was mitigated by fair value gain in a quoted investment in the current quarter have resulted in the loss after tax of RM10.92 million in the current quarter.

B2 Material changes in the quarterly results compared to the results of the preceding quarter

Financial review for current quarter compared with immediate preceding quarter:-

	3 months period ended		% Change
	30-Jun-19	31-Mar-19	
	RM million	RM million	
Revenue	124.33	97.94	27%
Operating Loss	(4.36)	(8.65)	50%
EBITDA Loss	(2.81)	(7.00)	60%
Loss Before Tax	(10.19)	(14.56)	30%
Loss After Tax	(10.92)	(14.78)	26%
Loss Attributable to Ordinary Equity Holders of the Parent	(9.31)	(13.88)	33%

Total revenue and loss after tax ("LAT") of the Group for the current financial quarter ended 30 June 2019 ("2Q19") were RM124.33 million and RM10.92 million respectively as compared to the revenue and LAT of the Group for the previous preceding financial quarter ended at 31 March 2019 ("1Q19") of RM97.94 million and RM14.78 million respectively.

Group's Segmental Analysis:-

Revenue contribution comprises the following:-

	3 months period ended		% Change
	30-Jun-19	Mar-19	
	RM million	RM million	
Software and Devices	5.55	2.60	113%
Communication Services	117.31	93.97	25%
Digital Services	1.47	1.36	8%
Total	124.33	97.94	27%

Overall, revenue for current quarter was substantially higher than the previous quarter mainly due to continual growth in revenue from all business segments i.e. Software and Devices, Communication Services and Digital Services.

EBITDA comprises the following:-

	3 months period ended		% Change
	30-Jun-19	Mar-19	
	RM million	RM million	
Software and Devices	(2.51)	(2.99)	16%
Communication Services	(2.12)	(0.94)	-100%
Digital Services	(6.24)	(2.06)	-100%
Investment Holding	8.07	(1.02)	893%
Total	(2.81)	(7.00)	60%

EBITDA losses of RM2.81 million in the current quarter were substantially lower as compared with the EBITDA losses of RM7.00 million in the preceding quarter were mainly due to fair value gain from a quoted investment.

Loss after tax comprises the following:-

	3 months period ended		% Change
	30-Jun-19 RM million	31-Mar-19 RM million	
Software and Devices	(2.98)	(3.58)	17%
Communication Services	(2.99)	(1.30)	-100%
Digital Services	(6.97)	(2.75)	-100%
Investment Holding	7.85	(1.25)	730%
Finance costs*	(5.09)	(8.88)	43%
Share of loss of associate	(5.06)	(5.00)	-1%
	(0.77)	(0.90)	15%
Total	(10.92)	(14.78)	26%

*Finance cost is mainly in relation to the Exchangeable Medium Term Notes.

B3 Current prospects and progress on previously announced financial estimates

a) The Board expects the remaining financial period to be challenging in view of the slower overall economic growth. On-going efforts to improve the Group's performance is continuing with the following initiatives:-

- a. Enhance the geographical reach for cost competitive LTE products with new supply chain arrangements.
- b. Improve operational efficiency for better profit margin for wholesale voice traffic markets.
- c. Strengthen the Digital Services platform for Internet of Things and Artificial Intelligence applications to achieve synergistic and vertical integration with the 2 existing business pillars.

b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group.

B4 Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable

B5 Financial estimate, forecast or projection/profit guarantee

There was no financial estimate, forecast or projection and profit guarantee issued by the Group.

B6 Income tax expense

	Financial year ended 30-Jun-19 RM'000
Current period tax expense	952

B7 Status of corporate proposals and utilisation of proceeds

There were no corporate proposals that were announced but not completed for the current financial period under review. The utilisation of Right Issues proceeds completed on 4 Dec 2018 are as follows:

Purpose	Proposed Utilisation RM '000	Actual Utilisation RM '000
(i) Product and business development	25,935	14,771
(ii) Future viable investments	10,000	-
(iii) Working capital for media and digital services	10,000	(6,400)
(iv) Working capital for Fintech solutions	5,000	5,000
(v) General working capital	8,346	8,346
(vi) Estimated expenses	800	800
Total	60,081	22,517

B8 Group borrowings and debt securities

Total borrowings of the Group are as follows:

	As at 30 June 2019		
	Non-current RM '000	Current RM '000	Total RM '000
Secured:			
- Exchangeable medium term notes	262,225	-	262,225
- Term loan	388	55	443
- Revolving Credits	-	7,279	7,279
- Hire purchases creditors and lease liabilities, which are denominated in Ringgit Malaysia.	150	1,812	1,962
Total	262,763	9,146	271,910

	As at 30 June 2018		
	Non-current RM '000	Current RM '000	Total RM '000
Secured:			
- Exchangeable medium term notes	242,802	-	242,802
- Term loan	436	227	663
- Trade facilities	0	3,856	3,856
- Revolving Credits	0	7,095	7,095
- Hire purchases creditors and lease liabilities, which are denominated in Ringgit	260	60	320
Total	243,498	11,238	254,736

B9 Material litigations

On 4 February 2019, the Company has issued a Notice of Arbitration against MYTV Broadcasting Sdn Bhd ("MYTV") pursuant to Clause 42 of the Agreement For The Design, Supply, Assembly, Testing and Acceptance of DVB-T2 (T2000) Set-Top-Boxes ("STB") dated 23 January 2018 between MYTV and the Company ("STB Agreement")("DTT Project") for the Company to claim for the first batch of 200,000 STB units which has been supplied to MYTV and for MYTV to take up the supply and delivery of the balance 1,400,000 STB units. On 13 March 2019, the Company has registered with the Asian International Arbitration Centre ("AIAC") a Request for Arbitration to commence arbitration proceedings against MYTV.

B10 Dividends

No dividend has been declared or recommended in respect of the current financial period under review.

B11 Realised and unrealised losses disclosure

The Group's realised and unrealised accumulated losses disclosure are as follows:

	As at 30-Jun-19 RM'000	As at 30-Jun-18 RM'000
Total accumulated losses of the Company and subsidiaries:		
- Realised accumulated losses	(501,671)	(896,141)
- Unrealised retained profit/(loss)	(115)	203
Consolidation adjustments	440,020	445,204
Total Group accumulated losses	(61,766)	(450,734)

B12 Earnings per share**Basic loss per share**

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue during the period.

	3 months quarter ended		6 months period ended	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Loss attributable to ordinary equity holders of the Company (RM'000)	(9,311)	(10,215)	(23,195)	(17,268)
Weighted average numbers of ordinary shares in issue ('000)	908,923	758,721	908,923	758,721
Basic earning per share (sen)	(1.0)	(1.3)	(2.6)	(2.3)

Diluted loss per share

In the current financial period, the diluted loss per share is not presented as the outstanding numbers of warrants in issue would be anti-dilutive as the exercise price is higher than the average market price of the Company's ordinary shares.

B13 Profit/(Loss) for the Period

	3 months quarter ended		6 months period ended	
	30-Jun-19 RM'000	30-Jun-18 RM'000	30-Jun-19 RM'000	30-Jun-18 RM'000
Profit/(Loss) for the period is arrived at after charging :				
Amortisation of :				
- development cost	814	120	1,730	232
- intellectual property	-	-	-	2
Depreciation of plant and equipment	735	539	1,468	1,104
Rental of premises	(26)	404	127	787
Loss/(Gain) on foreign exchange				
- realised	128	849	(906)	1,350
- unrealised	(19)	(213)	96	(194)
Staff costs:				
- defined contribution plan	729	569	1,360	901
- salaries and other benefits	9,858	5,962	17,736	11,510
Interest expense:				
- hire purchase	4	4	8	8
- exchangeable medium term notes	5,054	4,798	10,049	9,406
- other interest expenses				
and after crediting :				
Interest income	129	112	457	136

B14 Authorisation for issue

The interim financial statements were authorised for release by the Board of Directors on 27 August 2019.