

**ADVANCE INFORMATION MARKETING BERHAD**

**(Registration No. 200401006266 (644769-D))**

**(Incorporated in Malaysia)**

**FINANCIAL REPORT**

**UNAUDITED FOR THE 2ND QUARTER**

**ENDED 30 JUNE 2021**

**ADVANCE INFORMATION MARKETING BERHAD**  
**(Registration No. 200401006266 (644769-D))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

		As at 30.6.2021	As at 31.12.2020
	Note	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	6,004	6,157
Intangible assets		31	37
Other investments		4,938	9,230
Deferred tax assets		82	82
		<u>11,055</u>	<u>15,506</u>
<b>Current Assets</b>			
Inventories		178	599
Trade receivables		1,762	2,101
Other receivables, deposits and prepayments		416	141
Fixed deposits with licensed banks		2,215	3,614
Cash and bank balances		477	355
		<u>5,048</u>	<u>6,810</u>
<b>TOTAL ASSETS</b>		<u><u>16,103</u></u>	<u><u>22,316</u></u>
<b>EQUITY</b>			
Share capital		28,052	28,052
Accumulated losses		(9,342)	(7,895)
Treasury shares		(4,058)	(4,058)
Fair value reserve		(28)	4,264
Foreign currency translation reserve		(795)	(796)
<b>TOTAL EQUITY</b>		<u>13,829</u>	<u>19,567</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Employee benefits		316	317
Borrowing and lease liabilities	21	1,452	1,534
		<u>1,768</u>	<u>1,851</u>
<b>Current Liabilities</b>			
Trade payables		145	546
Other payables and accruals		227	263
Borrowing and lease liabilities	21	128	65
Provision for taxation		6	24
		<u>506</u>	<u>898</u>
<b>TOTAL LIABILITIES</b>		<u>2,274</u>	<u>2,749</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>16,103</u></u>	<u><u>22,316</u></u>
Net Assets per share (RM)		0.0572	0.0809

This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**ADVANCE INFORMATION MARKETING BERHAD**  
(Registration No. 200401006266 (644769-D))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2021**

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter 30.6.2021 RM'000	Preceding Year Corresponding Quarter 30.6.2020 RM'000	Current Year To Date 30.6.2021 RM'000	Preceding Year Corresponding Period 30.6.2020 RM'000
Revenue		2,088	1,755	5,127	5,005
Cost of sales and services		(1,833)	(1,640)	(4,512)	(4,530)
Gross profit		255	115	615	475
Other income		123	108	148	167
Administrative and other operating expenses		(1,147)	(1,155)	(2,173)	(2,603)
Operating loss		(769)	(932)	(1,410)	(1,961)
Finance costs		(15)	(2)	(37)	(21)
Loss before taxation	18	(784)	(934)	(1,447)	(1,982)
Taxation	19	-	-	-	-
<b>Loss after tax for the period</b>		<b>(784)</b>	<b>(934)</b>	<b>(1,447)</b>	<b>(1,982)</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefit liability		-	-	-	-
Income tax relating to remeasurement of defined benefit liability		-	-	-	-
		-	-	-	-
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Exchange translation differences for foreign operations		13	646	1	76
Equity instrument measured at fair value through other comprehensive income		(1,726)	1,595	(4,292)	1,071
<b>Total other comprehensive income/(loss) for the period</b>		<b>(1,713)</b>	<b>2,241</b>	<b>(4,291)</b>	<b>1,147</b>
		-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>(2,497)</b>	<b>1,307</b>	<b>(5,738)</b>	<b>(835)</b>
<b>Loss for the period attributable to:</b>					
Owners of the Company		(784)	(934)	(1,447)	(1,982)
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(2,497)	1,307	(5,738)	(835)
Loss per share :-					
- Basic (sen)	26	(0.324)	(0.386)	(0.598)	(0.819)
- Diluted (sen)		-	-	-	-

This unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

The annexed notes are an integral part of this statement.

**ADVANCE INFORMATION MARKETING BERHAD**  
**(Registration No. 200401006266 (644769-D))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 JUNE 2021**

**For the period ended 30 June 2021**

	Share capital RM'000	Treasury Shares RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Accumulated losses RM'000	Total RM'000	Total Equity RM'000
Balance as at 1 January 2021	28,052	(4,058)	(796)	4,264	(7,895)	19,567	19,567
Loss for the period	-	-	-	-	(1,447)	(1,447)	(1,447)
Other comprehensive loss for the period	-	-	1	(4,292)	-	(4,291)	(4,291)
Total comprehensive loss for the period	-	-	1	(4,292)	(1,447)	(5,738)	(5,738)
Balance as at 30 June 2021	28,052	(4,058)	(795)	(28)	(9,342)	13,829	13,829

**For the period ended 30 June 2020**

	Ordinary Shares RM'000	Treasury Shares RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Accumulated losses RM'000	Total RM'000	Total Equity RM'000
Balance as at 1 January 2020	28,052	(4,058)	(642)	615	(4,049)	19,918	19,918
Loss for the period	-	-	-	-	(1,982)	(1,982)	(1,982)
Other comprehensive loss for the period	-	-	76	1,071	-	1,147	1,147
Total comprehensive loss for the period	-	-	76	1,071	(1,982)	(835)	(835)
Balance as at 30 June 2020	28,052	(4,058)	(566)	1,686	(6,031)	19,083	19,083

This unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**ADVANCE INFORMATION MARKETING BERHAD**  
**(Registration No. 200401006266 (644769-D))**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2021**

	Current Year To Date 30.6.2021 RM'000	Preceding Year Corresponding Period 30.6.2020 RM'000
<b>Cash flow from operating activities</b>		
Loss before taxation	(1,447)	(1,982)
Adjustment for:-		
Depreciation of property, plant & equipment	171	209
Interest expense	37	21
Amortisation of intangible assets	6	1
Depreciation of right-of-use assets	5	54
Interest income	(30)	(104)
Operating loss before working capital changes	<u>(1,258)</u>	<u>(1,801)</u>
Decrease in inventories	423	586
Decrease/(Increase) in receivables	59	(343)
(Decrease)/Increase in payables	<u>(427)</u>	<u>(152)</u>
Cash used in operations	(1,203)	(1,710)
Tax paid	(25)	(10)
Tax refunded	-	-
Employee benefits paid	-	(4)
Interest paid	(37)	(21)
Interest received	30	104
<b>Net cash used in operating activities</b>	<u>(1,235)</u>	<u>(1,641)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(24)	(78)
Acquisition of intangible assets	-	-
Proceeds from disposal of share investment	-	-
<b>Net cash used in investing activities</b>	<u>(24)</u>	<u>(78)</u>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(16)	(43)
Repayment of term loan	(4)	(25)
<b>Net Cash used in financing activities</b>	<u>(20)</u>	<u>(68)</u>
<b>Net decrease in cash and cash equivalents</b>	(1,279)	(1,787)
Exchange differences on cash and cash equivalents	2	23
Cash and cash equivalents at beginning of the period	3,969	7,955
<b>Cash and cash equivalents at the end of the period</b>	<u>2,692</u>	<u>6,191</u>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits with licensed banks	2,215	5,324
Cash and bank balances	477	867
	<u>2,692</u>	<u>6,191</u>

This unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2021**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and the provisions of the Companies Act 2016, Interim Financial Reporting and paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements of the Group should be read in conjunction with the audited financial statements for the financial year ended ("FYE") 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 31 December 2020. The financial statements of the Group for FYE 31 December 2020 are prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies.

**2. Significant Accounting Policies**

The accounting policies adopted in the preparation of this report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020.

**2.1 Adoption of Standards, Amendments and IC Interpretations**

The accounting policies adopted are consistent with those of previous financial year except for the adoption of the following new and amended MFRSs and IC Interpretation which are effective for accounting period beginning on or after 1 January 2021 :-

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

The initial application of the above-mentioned MFRSs and amendments to MFRSs have no significant impact on the financial statements of the Group and the Company.

**2.2 MFRSs, Amendments to MFRS and IC Interpretation Issued But Not Yet Effective**

The Group and the Company have not early adopted the following new MFRSs and IC Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective :-

***Effective for annual periods beginning on or after 1 April 2021***

Amendments to MFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021

***Effective for annual periods beginning on or after 1 January 2022***

Amendments to MFRS 3, Reference to the Conceptual Framework

Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137, Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRSs Standards 2018 - 2020:

Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141

***Effective for annual periods beginning on or after 1 January 2023***

MFRS 17, Insurance Contracts

Amendments to MFRS 4, Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 101, Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101, Disclosure of Accounting Policies

Amendments to MFRS 108, Definition of Accounting Estimates

***Effective for annual periods beginning on or after a date to be determined by the MASB***

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will apply the above new MFRSs and IC Interpretation and amendments to MFRSs that are applicable once they become effective. The above standards and amendments are not expected to have any material financial impact on the financial statements of the Group on initial adoption.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2021

**3. Auditors' Report on preceding annual financial statements**

The auditors' reports on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2020 were not subject to any qualification.

**4. Seasonality or cyclical**

The Group's operations have not been materially affected by any seasonal/cyclical factors.

**5. Nature and amount of unusual items affecting assets, liabilities, equity, net income or cash flows**

There was no item or event that was unusual by reason of its nature, size or incidence during the current quarter which affected the assets, liabilities, equity, net income or cash flows of the Group.

**6. Changes in estimates**

There was no material change in the estimates used for the preparation of these interim financial statements.

**7. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

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

**8. Valuation of property, plant and equipment**

There was no change in the valuation of the property, plant and equipment reported in the previous audited financial statements that would have an effect on the current quarter's financial statements.

**9. Material events subsequent to the end of the interim period**

On 16 July 2021, the Company announced the Proposed Establishment of an Employee Share Option Scheme ("ESOS") of up to 30% of AIM's total number of issued shares (Excluding treasury shares) at any one time throughout the duration of the scheme for eligible directors and employees of AIM and its non-dormant subsidiaries.

**10. Change in the composition of the Group**

There was no change in the composition of the Group for the quarter under review.

**11. Contingent assets and contingent liabilities**

There was no contingent asset and contingent liability during the financial quarter under review.

**12. Capital commitments**

Capital commitments contracted but not provided for in the financial statements are as follows:

	As at 30.6.2021 RM'000	As at 30.6.2020 RM'000
Capital expenditure	<u>11</u>	<u>-</u>

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2021

13. Segmental information

The revenue and loss before taxation of the Group for the current quarter were generated from the following segments:

	Managed Customer Loyalty Services RM'000	Others RM'000	Consolidated RM'000
<b>Segment Revenue</b>			
Malaysia	386	-	386
Indonesia	1,702	-	1,702
	<u>2,088</u>	<u>-</u>	<u>2,088</u>
<b>Segment Loss</b>			
Malaysia	(58)	(456)	(514)
Indonesia	(270)	-	(270)
	<u>(328)</u>	<u>(456)</u>	<u>(784)</u>
<b>Segment Assets as per year to date</b>			
Malaysia	4,842	7,335	12,177
Indonesia	3,926	-	3,926
	<u>8,768</u>	<u>7,335</u>	<u>16,103</u>
<b>Segment Liabilities as per year to date</b>			
Malaysia	(1,720)	(90)	(1,810)
Indonesia	(464)	-	(464)
	<u>(2,184)</u>	<u>(90)</u>	<u>(2,274)</u>

The segment assets and segment liabilities as per year to date by taking into consideration of the non-current assets, current assets, non-current liabilities and current liabilities.



**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2021**

**14. Review of performance**

**TABLE 1: FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE  
FOR THE QUARTER ENDED 30 JUNE 2021**

	Individual Quarter				Cumulative Quarter			
	Current Quarter	Preceding Year Corresponding Quarter	Changes Amount	Changes %	Current Year To Date	Preceding Year Corresponding Period	Changes Amount	Changes %
	30.6.2021 RM'000	30.6.2020 RM'000	RM'000		30.6.2021 RM'000	30.6.2020 RM'000	RM'000	
Revenue	2,088	1,755	333	19%	5,127	5,005	122	2%
Operating loss	(769)	(932)	163	-17%	(1,410)	(1,961)	551	-28%
Loss before taxation	(784)	(934)	150	-16%	(1,447)	(1,982)	535	-27%
Loss after tax for the period	(784)	(934)	150	-16%	(1,447)	(1,982)	535	-27%
Loss for the period attributable to: Owners of the Company	(784)	(934)	150	-16%	(1,447)	(1,982)	535	-27%

During the quarter and period ended 30 June 2021, the Group recorded an unaudited revenue of RM2.09 million, as compared to the revenue recorded at RM1.76 million in the corresponding quarter of the preceding year.

The Managed Customer Loyalty Services ("MCLS") segment remained as the major revenue contributor to the Group whereby the segment of MCLS in Indonesia contributed a significant portion compared to MCLS business in Malaysia. The revenue of MCLS business in Indonesia recorded RM1.70 million for the quarter and period under review which has increased by 8% as compared to the preceding year corresponding quarter's and period's revenue of RM1.58 million. This was mainly due to new contracts been signed in current year.

For the revenue of MCLS segment in Malaysia, RM0.39 million was recorded for the quarter and period under review as compared to preceding year corresponding quarter's and period's recorded revenue of RM0.17 million. The revenue of the MCLS segment in Malaysia had increased due to our major client increased their orders during the quarter and period under review as compared to the preceding year corresponding quarter and period. In the preceding corresponding quarter and period, we had an additional service provided to our major client, whilst during the current quarter and period under review comparing to the preceding, the service orders had increased by 18%.

The Group's unaudited loss before tax for the quarter and period ended 30 June 2021 recorded at RM0.78 million, which had decreased by 16% as compared to the loss before tax of RM0.93 million in the corresponding quarter and period of the preceding year. This was mainly due to increase in the Group's revenue while decrease in the Group's operating expenses, especially from our subsidiary in Indonesia. However, the decrease in operating cost of the Indonesia subsidiary during the quarter and period under review was slightly offset against the increase of professional fees incurred on proposed ESOS and legal fees incurred by the Company on the material litigation as disclosed in Explanatory Note 22.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2021**

**15. Material Changes in The Loss Before Tax As Compared To the Immediate Preceding Quarter**

**TABLE 2: FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER**

	Individual Quarter			
	Current Quarter	Immediate Preceding Quarter	Changes Amount	Changes %
	30.6.2021 RM'000	31.3.2021 RM'000	RM'000	
Revenue	2,088	3,039	(951)	-31%
Operating loss	(769)	(641)	(128)	20%
Loss before taxation	(784)	(663)	(121)	18%
Loss after tax for the period	(784)	(663)	(121)	18%
Loss for the period attributable to: Owners of the Company	(784)	(663)	(121)	18%

The Group recorded a revenue of RM2.09 million in this quarter which decreased by 31% compared to revenue of RM3.04 million in the preceding quarter which was mainly contributed by the Group's Indonesian subsidiary company arising from the completion of a project in the preceding quarter, as well as reduction in customers' orders as a result of COVID-19 pandemic in Indonesia. Whilst the revenue generated by Malaysian subsidiary had increased by 4%, this had been offset against the decrease in revenue in Indonesia.

The Group recorded an unaudited loss before tax of RM0.78 million which had increased by 18% as compared to the unaudited loss before tax of RM0.67 million in the preceding quarter. This was mainly due to the decrease in the Group's gross profit and increase in operational expenses particular in professional and legal fees in the current quarter.

**16. Prospects**

The second quarter of 2021 continued to maintain a reasonably level of business despite the ongoing and worsening pandemic situation in both Malaysia and Indonesia.

The implementation of the Full MCO nationwide during the quarter under review further exacerbated the already fluid unfavourable economic conditions. Under the difficult economic headwinds, the prospects for the ensuing quarter is expected to be challenging. The core business of the Group is expected to be adversely affected by the ongoing pandemic.

Hence, the Group does not foresee much improvements in the third quarter of 2021 which may adversely affect its financial performance. Nevertheless, the Group is constantly on the lookout for new business prospects to enhance the Group's profitability.

**17. Profit forecast**

The Group did not disclose or announce any profit forecast or profit guarantee in any public document in the financial quarter under review.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2021**

**18. Loss before taxation**

This is arrived at after charging/(crediting) amongst other, the following items :

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30.6.2021 RM'000	Preceding Year Corresponding Quarter 30.6.2020 RM'000	Current Year To Date 30.6.2021 RM'000	Preceding Year Corresponding Period 30.6.2020 RM'000
Amortisation of intangible assets	3	-	6	1
Depreciation of property, plant and equipment	83	94	171	209
Depreciation of right-of-use assets	5	44	5	54
Interest expense	15	2	37	21
Interest income	(14)	(47)	(30)	(104)

**19. Taxation**

	Current Quarter 30.6.2021 RM'000	Current Year To Date 30.6.2021 RM'000
Current provision	-	-

Currently there is no provision for taxation as all subsidiary companies were incurring losses.

**20. Status of corporate proposals**

The Company announced the Proposed Private Placement of new ordinary shares in AIM, representing not more than 20% of the total number of issued AIM shares (Excluding treasury shares) pursuant to Sections 75 and 76 of the Company Act 2016 ("Proposed Private Placement") on 22 March 2021. In addition, the Company also announced the Proposed Establishment of an ESOS of up to 30% of AIM's total number of issued shares (Excluding treasury shares) at any one time throughout the duration of the scheme for eligible directors and employees of AIM and its non-dormant subsidiaries on 16 July 2021. Both proposals are currently pending Bursa Malaysia's approval.

**21. Borrowing and lease liabilities**

		As at 30.6.2021 RM'000	As at 30.6.2020 RM'000
<b>Short-term - secured:</b>			
Term loan	(a)	108	46
Lease liabilities	(b)	20	117
		<u>128</u>	<u>163</u>
<b>Long-term - secured:</b>			
Term loan	(a)	1,452	1,518
Lease liabilities	(b)	-	90
		<u>1,452</u>	<u>1,608</u>
<b>Total borrowing and lease liabilities - secured:</b>			
Term loan	(a)	1,560	1,564
Lease liabilities	(b)	20	207
		<u>1,580</u>	<u>1,771</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2021**

**21. Borrowing and lease liabilities (Cont'd)**

- (a) The term loan is secured by the following:
- (i) First party legal charge over the freehold land and building of the Group.
  - (ii) Corporate guarantee by the Company.
- (b) The lease liabilities stated include lease liability denominated in foreign currency as follows:-

	As at 30.6.2021		As at 30.6.2020	
	IDR'000	RM'000	IDR'000	RM'000
Lease liability				
- Short term	18,876	20	71,234	21
- Long term	-	-	18,876	6
	<u>18,876</u>	<u>20</u>	<u>90,110</u>	<u>27</u>

**22. Material litigations**

- 1) The Company had, on 20 January 2017, been served with a Writ (Kuala Lumpur High Court Suit No.: WA-22NCC-17-01/2017) issued by Customer Loyalty Solutions Sdn Bhd (in liquidation) ("the Plaintiff", hereby known as "CLS") claiming that the payment of RM6,524,652 from the Plaintiff to the Company are void or voidable. The Claim included two (2) other defendants i.e. a current and a former director of the Company to be jointly and severally liable to pay the Plaintiff the sum of RM6,524,652. On 7 July 2011, the Plaintiff was no longer a subsidiary of the Company.

The trial was concluded on 16 January 2019. The Court fixed 20 February 2019 for oral submissions and had fixed 4 March 2019 for further submissions. The Court had on 4 March 2019 heard further submissions by the Defendants and then fixed 10 May 2019 for further clarification/decision and it was then postponed to 30 September 2019 for decision.

On 30 September 2019, the Court had dismissed the Plaintiff's claim against all the Defendants with costs of RM15,000 to each Defendant (subject to allocatur fee of 4%). On 29 October 2019, the Plaintiff had filed a Notice of Appeal against the decision of the Kuala Lumpur High Court. The Court of Appeal has now fixed the next case management on 24 May 2021 pending the grounds of judgment from the Kuala Lumpur High Court.

On 24 May 2021, the Court of Appeal has now fixed 25 August 2021 as the next case management date pending the grounds of judgment from the Kuala Lumpur High Court.

- 2) The Company together with five other defendants ("the Defendants"), the current directors and chief executive officer of the Company had, on 2 November 2020, been served with a Writ (Kuala Lumpur High Court suit No.: WA-22NCC-537-11/2020) issued by Mak Siew Wei ("the Plaintiff"), a current director of the Company, via its Solicitors, Messrs. Chong + Kheng Hoe. The Plaintiff's suit relates to possible breach of Ace Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Take-Overs and Mergers 2016, Rule on Take-Overs, Mergers and Compulsory Acquisitions read in conjunction with the Capital Market and Services Act 2007 and the Companies Act 2016 by the Defendants. On 3 November 2020, the Board of the Company had announced the details related to the Material Litigation.

During the case management held on 10 November 2020, the Plaintiff sought for an Ad-interim injunction order to restrain, inter-alia, the 1st, 2nd, 3rd & 4th Defendants from being directors or holding office as directors or as the chief executive officer of the Company pending the disposal of this suit. The Court did not grant the order sought by the Plaintiff.

On 26 November 2020, the Judge after having read the respective parties' submissions, directed the parties to file a Rebuttal Submissions by end of December 2020. The Judge also fixed a hearing on 11 January 2021 at 2pm for the decision and clarification on the Rebuttal Submissions. In view of the amended Statement of Claim served by the Plaintiff on 25 November 2020, the Judge had also directed the Company to file the amended Defence accordingly. The Court's directions have been complied by the parties. The Hearing of the Plaintiff's application for interim injunction and case management is now fixed on 6 May 2021.

On 6 May 2021, Mak Siew Wei, the Plaintiff has applied to the Court to withdraw his application for interim judgment orders during the Hearing of the Plaintiff's application of interim injunction. The Court has allowed the withdrawal of his application and ordered him to pay cost of RM20,000.00 to the Defendants (except for 5<sup>th</sup> Defendant). The Court also fixed 13 December 2021 to 17 December 2021 as trial dates and 30<sup>th</sup> August 2021 as the next Case Management date.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2021**

- 3) Mak Siew Wei ("the Plaintiff") has filed another suit at Shah Alam High Court under Originating Summons No. BA-24NCC-63-05/2021 dated 25 May 2021 against the Company as the 6th Defendant and other defendants are the directors of the Company namely, Ang Huat Keat, Lee Kean Teong, Azizullaili Bin HjJalaluddin, Dato' Lim Siang Chai and Dato' Kang Chez Chiang. The Plaintiff is seeking, amongst others, the private placement proposed by TA Securities Holdings Berhad on 23 March 2021 on behalf of the Company be prohibited or alternatively, any new ordinary shares issued pursuant to the proposed private placement be cancelled.

On 16 August 2021, the Court has fixed 14 September 2021 as the next case management date.

**23. Dividend**

There was no dividend proposed or declared during the quarter under review.

**24. Procurement of new contract/termination of existing contract**

There was no procurement of new contract or termination of existing contract during the quarter under review.

**25. Fair value on investment**

Included in the other investment is an amount of RM4.90 million which is the fair value of investment in quoted shares that is determined directly by reference to their published market price as at 30 June 2021.

**26. Basis of calculation of loss per share**

The basic and fully diluted loss per share for the quarter and cumulative year to date are computed as follows:

	Current Quarter 30.6.2021	Preceding Year Corresponding Quarter 30.6.2020	Current Year To Date 30.6.2021	Preceding Year Corresponding Period 30.6.2020
Net loss attributable to equity holders of the parent for the period (RM'000)	(784)	(934)	(1,447)	(1,982)
Weighted average number of shares of RM0.10 each in issue ('000)	<u>241,968</u>	<u>241,968</u>	<u>241,968</u>	<u>241,968</u>
- Basic loss per share (sen)	(0.324)	(0.386)	(0.598)	(0.819)
- Diluted earnings per share (sen)*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*\*Fully diluted earnings per share was not computed as there was no outstanding ordinary share to be issued as at the end of the reporting period.*

**27. Significant Related Party Transactions**

There is no significant related party transaction during the financial quarter under review.

**28. Date of Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors on 23 August 2021.