

ADVANCE INFORMATION MARKETING BERHAD

(Registration No. 200401006266 (644769-D))

(Incorporated in Malaysia)

FINANCIAL REPORT

UNAUDITED FOR THE 2ND QUARTER

ENDED 30 JUNE 2022

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

| | As at 30.06.2022 | As at 31.12.2021 |
|---------------------------------------------|---------------------|---------------------|
| ASSETS | Note | RM'000 |
| Non-Current Assets | | RM'000 |
| Property, plant and equipment | 8 | 4,274 |
| Right-of-use assets | | 1,387 |
| Intangible assets | | 101 |
| Other investments | | 3,728 |
| Deferred tax assets | | 72 |
| | | <u>9,562</u> |
| Current Assets | | |
| Inventories | | 141 |
| Trade receivables | | 1,396 |
| Other receivables, deposits and prepayments | | 271 |
| Tax recoverable | | 69 |
| Other investment - money market fund | | 2,319 |
| Fixed deposits with licensed banks | | - |
| Cash and bank balances | | 657 |
| | | <u>4,853</u> |
| TOTAL ASSETS | | <u>14,415</u> |
| EQUITY | | |
| Share capital | | 28,052 |
| Accumulated losses | | (14,947) |
| Treasury shares | | - |
| Fair value reserve | | (1,164) |
| Foreign currency translation reserve | | (690) |
| TOTAL EQUITY | | <u>11,251</u> |
| LIABILITIES | | |
| Non-Current Liabilities | | |
| Employee benefits | | 270 |
| Borrowing and lease liabilities | 21 | 1,492 |
| | | <u>1,762</u> |
| Current Liabilities | | |
| Trade payables | | 448 |
| Other payables and accruals | | 519 |
| Borrowing and lease liabilities | 21 | 435 |
| Provision for taxation | | - |
| | | <u>1,402</u> |
| TOTAL LIABILITIES | | <u>3,164</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>14,415</u> |
| Net Assets per share (RM) | | 0.0423 |
| | | 0.0518 |

This unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

| | Note | Individual Quarter | | Cumulative Quarter | |
|-----------------------------------------------------------------------------|------|-----------------------------------------|--------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|
| | | Current Quarter 30.06.2022 RM'000 | Preceding Year Corresponding Quarter 30.06.2021 RM'000 | Current Year To Date 30.06.2022 RM'000 | Preceding Year Corresponding Period 30.06.2021 RM'000 |
| Revenue | | 1,753 | 2,088 | 3,229 | 5,127 |
| Cost of sales and services | | (1,142) | (1,833) | (2,421) | (4,512) |
| Gross profit | | 611 | 255 | 808 | 615 |
| Other income | | 32 | 123 | 87 | 148 |
| Administrative and other operating expenses | | (1,302) | (1,147) | (2,383) | (2,173) |
| Operating loss | | (659) | (769) | (1,488) | (1,410) |
| Finance costs | | (29) | (15) | (68) | (37) |
| Loss before taxation | 18 | (688) | (784) | (1,556) | (1,447) |
| Taxation | 19 | - | - | - | - |
| Loss after tax for the period | | (688) | (784) | (1,556) | (1,447) |
| <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 | | 27 | 13 | 35 | 1 |
| Equity instrument measured at fair value through other comprehensive income | | 328 | (1,726) | 246 | (4,292) |
| Total other comprehensive income/(loss) for the period | | 355 | (1,713) | 281 | (4,291) |
| | | - | - | - | - |
| Total comprehensive income/(loss) for the period | | (333) | (2,497) | (1,275) | (5,738) |
| Loss for the period attributable to: | | | | | |
| Owners of the Company | | (688) | (784) | (1,556) | (1,447) |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the Company | | (333) | (2,497) | (1,275) | (5,738) |
| Loss per share :- | | | | | |
| - Basic (sen) | 26 | (0.259) | (0.324) | (0.585) | (0.598) |
| - 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 2021 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 2022

For the period ended 30 June 2022

| | Share capital RM'000 | Treasury Shares RM'000 | Foreign Currency Translation Reserve RM'000 | Fair Value Reserve RM'000 | Accumulated losses RM'000 | Total Equity RM'000 |
|-----------------------------------------|-------------------------|---------------------------|------------------------------------------------|------------------------------|------------------------------|------------------------|
| Balance as at 1 January 2022 | 28,052 | - | (725) | (1,410) | (13,391) | 12,526 |
| Loss for the period | - | - | - | - | (1,556) | (1,556) |
| Other comprehensive loss for the period | - | - | 35 | 246 | - | 281 |
| Total comprehensive loss for the period | - | - | 35 | 246 | (1,556) | (1,275) |
| Balance as at 30 June 2022 | 28,052 | - | (690) | (1,164) | (14,947) | 11,251 |

For the period ended 30 June 2021

| | 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 |
|-----------------------------------------|---------------------------|---------------------------|------------------------------------------------|------------------------------|------------------------------|-----------------|
| Balance as at 1 January 2021 | 28,052 | (4,058) | (796) | 4,264 | (7,895) | 19,567 |
| Loss for the period | - | - | - | - | (1,447) | (1,447) |
| Other comprehensive loss for the period | - | - | 1 | (4,292) | - | (4,291) |
| Total comprehensive loss for the period | - | - | 1 | (4,292) | (1,447) | (5,738) |
| Balance as at 30 June 2021 | 28,052 | (4,058) | (795) | (28) | (9,342) | 13,829 |

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 2021 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 2022

| | Current Year To Date 30.06.2022 RM'000 | Preceding Year Corresponding Period 30.06.2021 RM'000 |
|-----------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|
| Cash flow from operating activities | | |
| Loss before taxation | (1,556) | (1,447) |
| Adjustment for:- | | |
| Depreciation of property, plant & equipment | 128 | 171 |
| Interest expense | 68 | 37 |
| Depreciation of right-of-use assets | 50 | 5 |
| Amortisation of intangible assets | 16 | 6 |
| Fair value gain on other investment - money market fund | (17) | - |
| Gain on disposal of property, plant and equipment | (12) | - |
| Interest income | (6) | (30) |
| Operating loss before working capital changes | <u>(1,329)</u> | <u>(1,258)</u> |
| (Increase) / Decrease in inventories | (42) | 423 |
| (Increase) / Decrease in receivables | (869) | 59 |
| Increase / (Decrease) in payables | 453 | (427) |
| Cash used in operations | <u>(1,787)</u> | <u>(1,203)</u> |
| Interest received | 6 | 30 |
| Tax paid | (23) | (25) |
| Interest paid | (68) | (37) |
| Net cash used in operating activities | <u>(1,872)</u> | <u>(1,235)</u> |
| Cash flows from investing activities | | |
| Placement to other investment - money market fund | (1,300) | - |
| Acquisition of property, plant & equipment | (8) | (24) |
| Acquisition of intangible assets | (15) | - |
| Proceeds from disposal of property, plant and equipment | 64 | - |
| Net cash used in investing activities | <u>(1,259)</u> | <u>(24)</u> |
| Cash flows from financing activities | | |
| Drawdown of loan | 367 | - |
| Repayment of lease liabilities | (5) | (16) |
| Repayment of term loan | (664) | (4) |
| Net Cash used in financing activities | <u>(302)</u> | <u>(20)</u> |
| Net decrease in cash and cash equivalents | (3,433) | (1,279) |
| Exchange differences on cash and cash equivalents | 15 | 2 |
| Cash and cash equivalents at beginning of the period | 4,075 | 3,969 |
| Cash and cash equivalents at the end of the period | <u>657</u> | <u>2,692</u> |
| Cash and cash equivalents comprise: | | |
| Fixed deposits with licensed banks | - | 2,215 |
| Cash and bank balances | 657 | 477 |
| | <u>657</u> | <u>2,692</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

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 2021. 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 2021. The interim financial statements of the Group for financial period ended ("FPE") 30 June 2022 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 FYE 31 December 2021.

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 2022 :-

Amendments to MFRS 3, MFRS 116, MFRS 137 and Annual Improvements to MFRS Standards 2018-2020.

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 immediately for annual periods beginning before 1 January 2023

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

Effective for annual periods beginning on or after 1 January 2023

MFRS 17, Insurance Contracts

Amendments to MFRS 17, Insurance Contracts

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

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

Amendments to MFRS 17, Initial Application of MFRS 9 and MFRS 17 - Comparative Information

Effective date deferred to a date to be announced 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 2022

3. Auditors' Report on preceding annual financial statements

The auditors' reports on the financial statements of the Company and its subsidiaries for the FYE 31 December 2021 were not subject to any qualification.

4. Seasonality or cyclicity

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

There was no material events subsequent to the end of the interim period.

11. Contingent assets and contingent liabilities

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

12. Capital commitments

There were no capital commitments since the last audited Statement of Financial Position as at 31 December 2021.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

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 |
|------------------------------------------------|------------------------------------------------------|------------------|------------------------|
| Segment Revenue | | | |
| Malaysia | 125 | - | 125 |
| Indonesia | 1,628 | - | 1,628 |
| | <u>1,753</u> | <u>-</u> | <u>1,753</u> |
| Segment Loss | | | |
| Malaysia | (190) | (575) | (765) |
| Indonesia | 77 | - | 77 |
| | <u>(113)</u> | <u>(575)</u> | <u>(688)</u> |
| Segment Assets as per year to date | | | |
| Malaysia | 4,428 | 6,294 | 10,722 |
| Indonesia | 3,693 | - | 3,693 |
| | <u>8,121</u> | <u>6,294</u> | <u>14,415</u> |
| Segment Liabilities as per year to date | | | |
| Malaysia | (1,595) | (402) | (1,997) |
| Indonesia | (1,167) | - | (1,167) |
| | <u>(2,762)</u> | <u>(402)</u> | <u>(3,164)</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 2022**

14. Review of performance

**TABLE 1: FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE
FOR THE QUARTER ENDED 30 JUNE 2022**

| | Individual Quarter | | | | Cumulative Quarter | | | |
|---------------------------------------------------------------|----------------------|-----------------------------------------|-------------------|--------------|-------------------------|-------------------------------------------|-------------------|--------------|
| | Current Quarter | Preceding Year Corresponding Quarter | Changes Amount | Changes % | Current Year To Date | Preceding Year Corresponding Period | Changes Amount | Changes % |
| | 30.06.2022 RM'000 | 30.06.2021 RM'000 | RM'000 | | 30.06.2022 RM'000 | 30.06.2021 RM'000 | RM'000 | |
| Revenue | 1,753 | 2,088 | (335) | -16% | 3,229 | 5,127 | (1,898) | -37% |
| Operating loss | (659) | (769) | 110 | -14% | (1,488) | (1,410) | (78) | 6% |
| Loss before taxation | (688) | (784) | 96 | -12% | (1,556) | (1,447) | (109) | 8% |
| Loss after tax for the period | (688) | (784) | 96 | -12% | (1,556) | (1,447) | (109) | 8% |
| Loss for the period attributable to: Owners of the Company | (688) | (784) | 96 | -12% | (1,556) | (1,447) | (109) | 8% |

During the quarter and period ended 30 June 2022, the Group recorded an unaudited revenue of RM1.75 million, which had decreased by 16%, as compared to the revenue recorded at RM2 million in the corresponding quarter of the preceding year, mainly contributed by segment in Malaysia.

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 had only decreased slightly, is still the major contributor of revenue for the quarter and period under review contributing approximately 93% of the total Group's revenue.

For the revenue of MCLS segment in Malaysia, RM0.13 million was recorded for the quarter and period under review as compared to preceding year corresponding quarter's and period's recorded revenue of RM0.39 million. The revenue of the MCLS segment in Malaysia had decreased significantly due to orders reduction from our major client during the quarter and period under review as compared to the preceding year corresponding quarter and period. In the preceding corresponding quarter and period, there was additional services provided but that was ceased subsequently.

The Group's unaudited loss before tax for the quarter and period ended 30 June 2022 recorded at RM0.69 million, as compared to the loss before tax recorded at RM0.78 million in the corresponding quarter and period of the preceding year. The decrease in loss before tax was mainly due to increase in gross profit from Indonesia Segment as a result of the effort of the company to retain customers with higher profit margin. However, the improvement in Indonesian's gross profit was offset by the increase of professional fees incurred for the forensic audit fee and decrease in gross profit margin of Malaysian's segment.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

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 30.06.2022 RM'000 | Immediate Preceding Quarter 31.03.2022 RM'000 | Changes Amount RM'000 | Changes % |
| Revenue | 1,753 | 1,476 | 277 | 19% |
| Operating loss | (659) | (829) | 170 | -21% |
| Loss before taxation | (688) | (868) | 180 | -21% |
| Loss after tax for the period | (688) | (868) | 180 | -21% |
| Loss for the period attributable to: Owners of the Company | (688) | (868) | 180 | -21% |

The Group recorded a revenue of RM1.75 million in this quarter which increased by 19% compared to revenue of RM1.48 million in the preceding quarter which was mainly contributed by the Group's Indonesian subsidiary company as a result of active fulfillment and completion of the the projects secured in the immediate preceding quarter towards the end of the current quarter, higher revenue was billed and incurred.

The Group recorded an unaudited loss before tax of RM0.69 million as compared to the unaudited loss before tax of RM0.86 million in the preceding quarter. The decreased in losses was mainly due to increase in gross profit of Indoensian's segment but offset by increased in professional fee in current quarter. Forensic audit was completed in current quarter hence forensic audit fee was incurred.

16. Prospects

The 2nd quarter continued to be a slow period with reduced losses despite a lower sales revenue as a result of cost reduction measures.

Moving forward the next quarter shall see further stabilization with the restructuring of our main Indonesian subsidiary and improved business conditions for Malaysia. This realignment of business strategies for both the Malaysian and Indonesian operations is expected to yield positive results in the near future.

A new franchise business had been identified and is presently under evaluation as a possible new business income stream for the Group. An ongoing study is currently being carried out to ascertain its suitability as a viable business.

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 2022

18. Loss before taxation

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

| | Individual Quarter | | Cumulative Quarter | |
|---------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------|
| | Current Quarter 30.06.2022 RM'000 | Preceding Year Corresponding Quarter 30.06.2021 RM'000 | Current Year To Date 30.06.2022 RM'000 | Preceding Year Corresponding Period 30.06.2021 RM'000 |
| Depreciation of property, plant and equipment | 63 | 83 | 128 | 171 |
| Interest expense | 29 | 15 | 68 | 37 |
| Depreciation of right-of-use assets | 25 | 5 | 50 | 5 |
| Amortisation of intangible assets | 8 | 3 | 16 | 6 |
| Fair value gain on other investment - money market fund | (11) | - | (17) | - |
| Gain on disposal of property, plant and equipment | - | - | (12) | - |
| Interest income | (2) | (14) | (6) | (30) |

19. Taxation

| | Current Quarter 30.06.2022 RM'000 | Current Year To Date 30.06.2022 RM'000 |
|-------------------|--------------------------------------------|-------------------------------------------------|
| Current provision | - | - |

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

20. Status of corporate proposals

Proposed Private Placement ("PP")

The Company announced the Proposed PP 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 on 22 March 2021. The proposal had been approved by Bursa Securities on 6 April 2022 and approved by the shareholders through ordinary resolutions during the AGM held on 23 June 2022.

Proposed Employee Share Option Scheme ("ESOS")

The Company 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. The proposals had been approved by Bursa Securities on 10 March 2022 and approved by the shareholders through ordinary resolutions during the EGM held on 23 June 2022. Subsequently, the Company announced the effective date for the implementation of the ESOS as 22 July 2022, which is the date of the ESOS's full compliance with Rule 6.44 of the Listing Requirements.

21. Borrowing and lease liabilities

| | | As at 30.06.2022 RM'000 | As at 30.06.2021 RM'000 |
|---------------------------------------------------------|-----|-------------------------------|-------------------------------|
| Short-term - secured: | | | |
| Term loan | (a) | 431 | 108 |
| Lease liabilities | (b) | 4 | 20 |
| | | <u>435</u> | <u>128</u> |
| Long-term - secured: | | | |
| Term loan | (a) | 1,492 | 1,452 |
| Lease liabilities | (b) | - | 6 |
| | | <u>1,492</u> | <u>1,458</u> |
| Total borrowing and lease liabilities - secured: | | | |
| Term loan | (a) | 1,923 | 1,560 |
| Lease liabilities | (b) | 4 | 20 |
| | | <u>1,927</u> | <u>1,580</u> |

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

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 a subsidiary company.
- (ii) Corporate guarantee by the Company.

(b) The lease liabilities stated include lease liability denominated in foreign currency as follows:-

| | As at 30.06.2022 | | As at 30.06.2021 | |
|-----------------|---------------------|----------|---------------------|-----------|
| | IDR'000 | RM'000 | IDR'000 | RM'000 |
| Lease liability | | | | |
| - Short term | - | - | 18,876 | 20 |
| - Long term | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>18,876</u> | <u>20</u> |

(c) The bank loan stated was denominated in foreign currency as follows:-

| | As at 30.06.2022 | | As at 30.06.2021 | |
|-----------|---------------------|------------|---------------------|----------|
| | IDR'000 | RM'000 | IDR'000 | RM'000 |
| Term loan | <u>1,243,000</u> | <u>431</u> | <u>-</u> | <u>-</u> |

The facility is secured by legal charge over the leasehold building of a subsidiary company.

22. Material litigations

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 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 filed a Notice of Appeal against the decision of the Kuala Lumpur High Court. The Court of Appeal had fixed the next case management on 24 May 2021 pending the grounds of judgment from the Kuala Lumpur High Court.

The Court of Appeal had fixed case management dates on 19 December 2019, 27 February 2020, 29 April 2020, 7 July 2020, 3 September 2020, 8 October 2020, 14 December 2020, 25 February 2021, 24 May 2021 and 25 August 2021, 24 May 2021, 25 August 2021, 30 November 2021, 27 January 2022, 30 March 2022, 31 May 2022 and 5 August 2022.

The Court of Appeal has fixed the next case management on 27 December 2022 and 13 February 2023 with 28 February 2023 for hearing.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2022

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 RM3.68 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 2022.

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 30.06.2022 | Preceding Year Corresponding Quarter 30.06.2021 | Current Year To Date 30.06.2022 | Preceding Year Corresponding Period 30.06.2021 |
|----------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|---------------------------------------|---------------------------------------------------------|
| Net loss attributable to equity holders of the parent for the period (RM'000) | (688) | (784) | (1,556) | (1,447) |
| Weighted average number of shares of RM0.10 each in issue ('000) | <u>266,059</u> | <u>241,968</u> | <u>266,059</u> | <u>241,968</u> |
| - Basic loss per share (sen) | (0.259) | (0.324) | (0.585) | (0.598) |
| - 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

This interim financial statements were authorised for issue by the Board of Directors on 26 August 2022.