

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	<b>As at 31.12.2018 RM'000</b>	<b>As at 31.12.2017 RM'000</b>
<b>Assets:</b>		
<b>Non-current</b>		
Property, plant and equipment	2,384	2,646
Intangible assets	4,916	5,090
Goodwill	-	148
Investment in associates	922	881
Deferred tax assets	502	587
	<b>8,724</b>	<b>9,352</b>
<b>Current</b>		
Trade receivables	33,256	38,710
Other receivables, deposits and prepayments	4,580	3,604
Tax recoverable	286	617
Fixed deposits with licensed banks	3,453	4,121
Other financial assets	3	118
Cash and bank balances	19,369	12,902
	<b>60,947</b>	<b>60,072</b>
<b>Total Assets</b>	<b>69,671</b>	<b>69,424</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018 (CONT'D)**

	Note	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
<b>Liabilities:</b>			
<b>Non-current</b>			
Borrowings	B8	-	106
Deferred tax liabilities		569	519
Retirement benefit obligations		428	491
		<u>997</u>	<u>1,116</u>
<b>Current</b>			
Borrowings	B8	-	1,016
Trade payables		19,721	18,809
Other payables and accruals		11,520	11,435
Tax payable		556	767
		<u>31,797</u>	<u>32,027</u>
<b>Total Liabilities</b>		<u>32,794</u>	<u>33,143</u>
<b>Net Assets</b>		<u>36,877</u>	<u>36,281</u>
<b>Equity:</b>			
Share capital		19,193	18,937
Reserves		15,138	15,397
Total equity attributable to Owners of the Company		<u>34,331</u>	<u>34,334</u>
Non-controlling interests		2,546	1,947
<b>Total Equity</b>		<u>36,877</u>	<u>36,281</u>
<b>Net Assets per share attributable to Owners of the Company (sen)</b>		<u>24.78</u>	<u>24.78</u>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2017)

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Current quarter ended <b>31.12.2018</b> RM'000	Comparative quarter ended 31.12.2017 RM'000	Current year-to-date ended <b>31.12.2018</b> RM'000	Preceding year-to-date ended 31.12.2017 RM'000
<b>Revenue</b>	<b>31,095</b>	27,719	<b>106,934</b>	101,623
Direct costs	<b>(14,032)</b>	(12,498)	<b>(58,417)</b>	(55,755)
Gross profit	<b>17,063</b>	15,221	<b>48,517</b>	45,868
Other operating income	<b>185</b>	173	<b>907</b>	629
Operating expenses	<b>(11,913)</b>	(10,057)	<b>(45,321)</b>	(44,670)
Profit from operations	<b>5,335</b>	5,337	<b>4,103</b>	1,827
Finance costs	<b>(1)</b>	(15)	<b>(23)</b>	(24)
Share in profit of equity-accounted associates, net of tax	<b>105</b>	60	<b>41</b>	351
<b>Profit before tax</b>	<b>5,439</b>	5,382	<b>4,121</b>	2,154
Income tax expense	<b>(1,100)</b>	(343)	<b>(1,938)</b>	(993)
<b>Profit after tax</b>	<b>4,339</b>	5,039	<b>2,183</b>	1,161
<b>Other Comprehensive Income/(Loss) for the period, net of tax</b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation	<b>380</b>	(408)	<b>(22)</b>	(1,221)
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement of retirement benefit obligations	<b>147</b>	(57)	<b>147</b>	(57)
<b>Total Other Comprehensive Income/(Loss) for the period, net of tax</b>	<b>527</b>	(465)	<b>125</b>	(1,278)
<b>Total Comprehensive Income/(Loss)</b>	<b>4,866</b>	4,574	<b>2,308</b>	(117)

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 DECEMBER 2018 (CONT'D)**

	Current quarter ended	Comparative quarter ended	Current year-to-date ended	Preceding year-to-date ended
Note	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	3,889	4,690	1,450	1,209
Non-controlling interests	450	349	733	(48)
	<b>4,339</b>	<b>5,039</b>	<b>2,183</b>	<b>1,161</b>
<b>Total Comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	4,308	4,333	1,561	150
Non-controlling interests	558	241	747	(267)
	<b>4,866</b>	<b>4,574</b>	<b>2,308</b>	<b>(117)</b>
<b>Earnings per share attributable to Owners of the Company (sen)</b>				
Basic	2.81	3.39	1.05	0.87

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2017)

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Attributable to Owners of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Reverse acquisition reserve	Foreign exchange reserve	Other reserves	Retained profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance as at 1.1.2018, as previously reported</b>	18,937	-	(2,512)	(168)	248	17,829	34,334	1,947	36,281
Effects of adoption of MFRS 9	-	-	-	-	-	(1,863)	(1,863)	(202)	(2,065)
<b>Restated balance as at 1.1.2018</b>	18,937	-	(2,512)	(168)	248	15,966	32,471	1,745	34,216
Profit after tax	-	-	-	-	-	1,450	1,450	733	2,183
Other comprehensive income	-	-	-	6	-	105	111	14	125
<b>Total Comprehensive Income</b>	-	-	-	6	-	1,555	1,561	747	2,308
Issuance of ordinary shares pursuant to ESS (Note A6)	256	-	-	-	-	-	256	-	256
Changes in ownership interests in a subsidiary	-	-	-	7	-	36	43	54	97
Total transaction with Owners and changes in ownership interests	256	-	-	7	-	36	299	54	353
<b>Balance as at 31.12.2018</b>	19,193	-	(2,512)	(155)	248	17,557	34,331	2,546	36,877
<b>Balance as at 1.1.2017</b>	13,840	5,097	(2,512)	875	248	17,849	35,397	509	35,906
Profit/(Loss) after tax	-	-	-	-	-	1,209	1,209	(48)	1,161
Other comprehensive loss	-	-	-	(1,008)	-	(51)	(1,059)	(219)	(1,278)
<b>Total Comprehensive (Loss)/Income</b>	-	-	-	(1,008)	-	1,158	150	(267)	(117)
Changes in ownership interests in subsidiaries	-	-	-	(35)	-	(1,178)	(1,213)	1,705	492
Transfer pursuant to the Companies Act 2016*	5,097	(5,097)	-	-	-	-	-	-	-
Total transaction with Owners and changes in ownership interests	5,097	(5,097)	-	(35)	-	(1,178)	(1,213)	1,705	492
<b>Balance as at 31.12.2017</b>	18,937	-	(2,512)	(168)	248	17,829	34,334	1,947	36,281

**Note:**

\* Pursuant to the Companies Act 2016, the credit balance in the share premium account was transferred to the share capital account.

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Current year-to-date ended 31.12.2018 RM'000	Preceding year-to-date ended 31.12.2017 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	4,121	2,154
Adjustments for:		
Non-cash and non-operating items	4,855	4,070
Share in profit of equity-accounted associates, net of tax	(41)	(351)
Operating profit before working capital changes	<u>8,935</u>	5,873
Increase in trade and other receivables, deposits and prepayments	(377)	(3,367)
Increase/(Decrease) in trade and other payables and accruals	678	(1,683)
Cash generated from operations	<u>9,236</u>	823
Net income tax paid	(1,781)	(1,712)
Retirement benefit paid	(1)	-
Net cash from/(used in) operating activities	<u>7,454</u>	(889)
<b>Cash Flows From Investing Activities</b>		
Expenditure incurred on development expenditure	(1,425)	(2,179)
Decrease/(Increase) in fixed deposits pledged	1,114	(53)
Proceeds from disposals of plant and equipment	21	*
Purchase of plant and equipment	(429)	(1,406)
Interest received	210	146
Repayments from associates	575	139
Subscription of shares in subsidiary company by non-controlling interest	97	492
Net cash from/(used in) investing activities	<u>163</u>	(2,861)
<b>Cash Flows From Financing Activities</b>		
Interest paid	(23)	(24)
Repayments of term loans	(137)	(33)
Net cash used in financing activities	<u>(160)</u>	(57)
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<u>7,457</u>	(3,807)
Effects of exchange rate changes	327	(1,407)
<b>Cash and Cash Equivalents at beginning of period</b>	<u>14,221</u>	19,435
<b>Cash and Cash Equivalents at end of period</b>	<u>22,005</u>	14,221
<b>Cash and Cash Equivalents comprised:</b>		
Bank overdrafts	-	(986)
Cash and bank balances	19,369	12,902
Fixed deposits with licensed banks	3,453	4,121
Other financial assets	3	118
	<u>22,825</u>	16,155
Less: Fixed deposits pledged	(820)	(1,934)
	<u>22,005</u>	14,221

\* represents value below RM1,000.

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2017)

## QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018

The unaudited interim financial report (“the quarterly report”) have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9, Part K - Periodic Disclosures of the Listing Requirements of Bursa Malaysia Securities Berhad

### **PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134: Interim Financial Reporting (“MFRS 134”) issued by the MASB**

#### **A1. Basis of preparation**

This quarterly report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017 and the accompanying explanatory notes, which 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 year ended 31 December 2017.

#### **A2. Significant accounting policies**

The significant accounting policies and methods of computation applied in preparing the unaudited interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2017 except for the newly-issued MFRS, interpretations and amendments to standards to be applied for the financial periods beginning on or after 1 January 2018:

<u>Standard</u>	<u>Title</u>	<u>Effective date</u>
MFRS 2	Classification and Measurement of share-based payment transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
	Clarifications to MFRS 15	1 January 2018
MFRS 128	Amendments to MFRS 128	1 January 2018

The adoption of the above-mentioned standards/amendments to standard did not have any significant effects on the interim financial report upon their initial application, other than as disclosed below:

#### **MFRS 9 Financial Instruments**

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial assets. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at the inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss, unless this creates an accounting mismatch.

There is now a new expected credit losses model (“ECL”) on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018****A2. Significant accounting policies (Cont'd)****MFRS 9 Financial Instruments (cont'd)**

On the date of initial application, MFRS 9 did not affect the classification and measurement of the Group's financial assets and financial liabilities, except that the Group's allowance for impairment on all trade receivables. The Group applied the simplified approach and calculated expected credit losses based on lifetime expected losses on all the trade receivables.

As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus the adjustment was recognised in the opening retained profits of the current reporting period. As a result of applying the ECL on receivables, the Group's opening retained profits has decreased by RM1.86 million as at 1 January 2018.

Summary of the financial impact of adopting MFRS 9 to opening balances is as follows:

**1 January 2018**

In RM'000	As previously reported	Impact of change in accounting policies Retrospective adjustments MFRS 9	After adjustments
<b>Assets</b>			
Trade receivables	38,710	(2,065)	36,645
Impact to assets	<u>38,710</u>	<u>(2,065)</u>	<u>36,645</u>
<b>Equity</b>			
Retained profits	17,829	(1,863)	15,966
Non-controlling interests	<u>1,947</u>	<u>(202)</u>	<u>1,745</u>
Impact to equity	<u>19,776</u>	<u>(2,065)</u>	<u>17,711</u>

**A3. Seasonality or cyclicity of interim operations**

In general, online advertising activities would pick up during the second half of the calendar year especially towards year end.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group because of their nature, size or incidence.

**A5. Changes in estimates of amounts reported previously**

There were no changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect in the current financial period.



**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018****A6. Issues, repurchases and repayments of debts and equity securities**

As at 27 August 2018, 400,000 new ordinary shares were issued pursuant to the exercise of the Employee Share Scheme (“ESS”). Details of the issued and paid-up capital of the Company as at 31 December 2018 are as follows:

	<u>No. of shares</u>	<u>RM</u>
As at 1 January 2018	138,403,415	18,937,531
Ordinary shares issued pursuant to the ESS	400,000	256,000
As at 31 December 2018	<u>138,803,415</u>	<u>19,193,531</u>

Other than the above, there were no issuance, cancellations, repurchases, resales and repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and current year-to-date ended 31 December 2018.

**A7. Dividends paid**

There were no dividend paid by the Company during the current quarter and current year-to-date ended 31 December 2018.

**A8. Segmental information**

The Group's core activities are principally for the provision of technology-based online advertising solutions and other internet related services. The segment information is presented in respect of the Group's geographical areas which are based on the Group's management and internal reporting structure.

The Group operates mainly in ten geographical areas as follows:-

- i) Malaysia;
- ii) Singapore;
- iii) Vietnam;
- iv) Indonesia;
- v) Hong Kong and China;
- vi) Philippines;
- vii) Taiwan;
- viii) South Korea;
- ix) Cambodia; and
- x) Myanmar.

The segment's financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the Company's functional currency.

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rates of exchange ruling at the reporting date and income and expenses are translated at the dates of transactions. The exchange differences arising from the translation are taken directly to other comprehensive income. However, if the operation is a non wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018****A8. Segmental information (Cont'd)**

The principal exchange rates for every unit of foreign currency used are as follows:

	<b>31 December 2018</b>		<b>31 December 2017</b>	
	<b>Closing rate</b>	<b>Average rate</b>	<b>Closing rate</b>	<b>Average rate</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
1 Singapore Dollar	3.033	2.991	3.040	3.116
1 Hong Kong Dollar	0.528	0.515	0.520	0.552
1 Chinese Renminbi	0.601	0.610	0.624	0.635
1 US Dollar	4.136	4.036	4.064	4.294
100 Indonesian Rupiah	0.029	0.028	0.030	0.031
100 Thai Baht	-	12.484	-	12.946
100 Philippines Peso	7.874	7.662	8.133	8.534
100 Vietnamese Dong	0.018	0.018	0.018	0.019
100 New Taiwan Dollar	13.523	13.385	13.688	14.129
100 South Korean Won	0.371	0.367	0.381	0.380

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**
**A8. Segmental information (Cont'd)**
**Current year-to-date ended 31 December 2018**
Operating Segments

	Malaysia RM'000	Singapore RM'000	Vietnam RM'000	Indonesia RM'000	Hong Kong and China RM'000	Philippines RM'000	Taiwan RM'000	South Korea RM'000	Cambodia RM'000	Myanmar RM'000	Inter- segment eliminations RM'000	Group RM'000
<b><u>Revenue</u></b>												
Revenue from external customers	36,053	13,264	3,867	10,292	29,780	7,706	5,007	365	237	363	-	106,934
Inter-segment revenue	3,283	82	56	84	23	34	72	95	-	-	(3,729)	-
Total revenue	39,336	13,346	3,923	10,376	29,803	7,740	5,079	460	237	363	(3,729)	106,934
<b><u>Segment Results</u></b>												
Results from operating activities	3,486	52	132	950	4,019	909	(1,410)	(621)	(240)	(2,841)	(333)	4,103
Finance costs	(23)	(22)	(68)	(10)	-	(4)	(81)	-	-	-	185	(23)
Share in profit of equity- accounted associates, net of tax	41	-	-	-	-	-	-	-	-	-	-	41
Profit/(Loss) before tax	3,504	30	64	940	4,019	905	(1,491)	(621)	(240)	(2,841)	(148)	4,121
Income tax expense	(751)	-	-	(256)	(586)	(77)	23	-	-	14	(305)	(1,938)
Profit/(Loss) after tax	2,753	30	64	684	3,433	828	(1,468)	(621)	(240)	(2,827)	(453)	2,183
Non-controlling interests	12	-	(19)	(335)	(701)	(41)	294	57	-	-	-	(733)
Profit/(Loss) attributable to Owners of the Company	2,765	30	45	349	2,732	787	(1,174)	(564)	(240)	(2,827)	(453)	1,450
<b><u>Assets</u></b>												
Segment assets	42,457	7,151	4,129	8,991	16,911	7,080	3,493	402	257	90	(21,290)	69,671
<b><u>Liabilities</u></b>												
Segment liabilities	13,493	4,245	4,720	5,427	9,023	3,753	7,117	431	450	264	(16,129)	32,794

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**
**A8. Segmental information (Cont'd)**
**Current year-to-date ended 31 December 2018 (cont'd)**
Operating Segments (cont'd)

	Singapore SGD'000	Vietnam VND'Mil	Indonesia IDR'Mil	Hong Kong HKD'000	China CNY'000	Philippines PHP'000	Taiwan TWD'000	South Korea KRW'000	Cambodia USD'000	Myanmar USD'000
<b><u>Revenue</u></b>										
Revenue from external customers	4,435	21,485	36,757	57,788	30	100,577	37,409	99,471	59	90
Inter-segment revenue	27	309	299	45	-	446	540	25,774	-	-
Total revenue	4,462	21,794	37,056	57,833	30	101,023	37,949	125,245	59	90
<b><u>Segment Results</u></b>										
Results from operating activities	17	732	3,392	7,939	(115)	11,867	(10,535)	(169,077)	(59)	(704)
Finance costs	(8)	(375)	(37)	-	-	(56)	(602)	-	-	-
Profit/(Loss) before tax	9	357	3,355	7,939	(115)	11,811	(11,137)	(169,077)	(59)	(704)
Income tax expense	-	-	(915)	(1,138)	-	(999)	170	-	-	4
Profit/(Loss) after tax	9	357	2,440	6,801	(115)	10,812	(10,967)	(169,077)	(59)	(700)
Non-controlling interests	-	(105)	(1,196)	(1,360)	-	(541)	2,193	15,508	-	-
Profit/(Loss) attributable to Owners of the Company	9	252	1,244	5,441	(115)	10,271	(8,774)	(153,569)	(59)	(700)
<b><u>Assets</u></b>										
Segment assets	2,358	22,939	31,005	31,441	516	89,922	25,829	108,348	62	22
<b><u>Liabilities</u></b>										
Segment liabilities	1,400	26,223	18,714	16,024	935	47,669	52,628	116,157	109	64

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**
**A8. Segmental information (Cont'd)**
**Preceding year-to-date ended 31 December 2017**
Operating Segments (cont'd)

	Malaysia RM'000	Singapore RM'000	Vietnam RM'000	Indonesia RM'000	Hong Kong and China RM'000	Philippines RM'000	Taiwan RM'000	South Korea RM'000	Cambodia RM'000	Myanmar RM'000	Inter- segment eliminations RM'000	Group RM'000
<b><u>Revenue</u></b>												
Revenue from external customers	36,692	11,505	2,536	8,826	25,350	6,595	7,246	147	-	2,726	-	101,623
Inter-segment revenue	5,465	82	159	92	96	137	6	87	-	-	(6,124)	-
Total revenue	42,157	11,587	2,695	8,918	25,446	6,732	7,252	234	-	2,726	(6,124)	101,623
<b><u>Segment Results</u></b>												
Results from operating activities	2,506	191	(446)	52	1,081	(263)	(733)	(400)	(95)	61	(127)	1,827
Finance costs	(24)	(17)	(52)	(5)	(1)	(9)	(43)	-	-	-	127	(24)
Share in profit of equity- accounted associates, net of tax	351	-	-	-	-	-	-	-	-	-	-	351
Profit/(Loss) before tax	2,833	174	(498)	47	1,080	(272)	(776)	(400)	(95)	61	-	2,154
Income tax expense	(710)	-	-	(120)	(179)	58	(27)	-	-	(15)	-	(993)
Profit/(Loss) after tax	2,123	174	(498)	(73)	901	(214)	(803)	(400)	(95)	46	-	1,161
Non-controlling interests	(13)	-	99	(7)	(192)	*	161	-	-	-	-	48
Profit/(Loss) attributable to Owners of the Company	2,110	174	(399)	(80)	709	(214)	(642)	(400)	(95)	46	-	1,209
<b><u>Assets</u></b>												
Segment assets	35,868	6,347	2,647	7,043	11,453	7,925	4,226	917	34	2,929	(9,965)	69,424
<b><u>Liabilities</u></b>												
Segment liabilities	14,773	3,341	3,260	3,883	7,321	3,846	6,396	404	103	2,785	(12,969)	33,143

\* represents value below RM1,000.

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2018**
**A8. Segmental information (Cont'd)**
**Preceding year-to-date ended 31 December 2017 (cont'd)**
Operating Segments (cont'd)

	Singapore SGD'000	Vietnam VND'Mil	Indonesia IDR'Mil	Hong Kong HKD'000	China CNY'000	Philippines PHP'000	Taiwan TWD'000	South Korea KRW'000	Cambodia USD'000	Myanmar USD'000
<b><u>Revenue</u></b>										
Revenue from external customers	3,692	13,347	28,471	45,876	41	77,279	51,285	38,684	-	635
Inter-segment revenue	26	837	297	174	-	1,605	42	22,895	-	-
Total revenue	3,718	14,184	28,768	46,050	41	78,884	51,327	61,579	-	635
<b><u>Segment Results</u></b>										
Results from operating activities	61	(2,347)	168	2,064	(91)	(3,082)	(5,188)	(105,263)	(22)	14
Finance costs	(5)	(274)	(16)	(1)	-	(105)	(304)	-	-	-
Profit/(Loss) before tax	56	(2,621)	152	2,063	(91)	(3,187)	(5,492)	(105,263)	(22)	14
Income tax expense	-	-	(387)	(325)	-	680	(191)	-	-	(3)
Profit/(Loss) after tax	56	(2,621)	(235)	1,738	(91)	(2,507)	(5,683)	(105,263)	(22)	11
Non-controlling interests	-	521	(23)	(347)	-	*	1,140	-	-	-
Profit/(Loss) attributable to Owners of the Company	56	(2,100)	(258)	1,391	(91)	(2,507)	(4,543)	(105,263)	(22)	11
<b><u>Assets</u></b>										
Segment assets	2,088	14,706	23,477	21,644	598	97,443	30,874	240,682	8	721
<b><u>Liabilities</u></b>										
Segment liabilities	1,099	18,111	12,943	12,989	909	47,289	46,727	106,037	25	685

\* represents value below PHP1,000.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**

**A9. Valuation of property, plant and equipment**

There were no valuation of property, plant and equipment in the current quarter and current year-to-date ended 31 December 2018.

**A10. Material events subsequent to the end of the current quarter that have not been reflected in this quarterly report**

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

**A11. Effects of changes in the composition of the Group for the current year-to-date**

**(a) Acquisition of equity interests by non-controlling interest in Innity Korea Co., Ltd**

On 22 February 2018, Innity Korea Co., Ltd (“Innity Korea”), a direct wholly-owned subsidiary company of Innity Sdn Bhd (“ISB”), which is also an indirect wholly-owned subsidiary company of the Company, issued additional 5,333 new ordinary shares with total capital contribution of KRW26,666,500 (*or equivalent to RM96,533 at the exchange rate of KRWI: RM0.00362*). The entire new issuance were subscribed by a South Korean Company via a cash consideration of KRW26,666,500.

Arising from the above acquisition, the Company's effective equity interest in shares of Innity Korea is diluted from 100% to 90%.

Saved as disclosed above, there were no changes in the composition of the Group in the current quarter and current year-to-date ended 31 December 2018 under review.

**A12. Changes in contingent liabilities or contingent assets**

The Directors are of the opinion that the Group has no contingent liabilities or contingent assets which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

**A13. Significant unrecognised contractual commitments**

The Group has no material contractual capital commitments in respect of property, plant and equipment.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018****A14. Significant related party transactions**

The following were the significant related party transactions: -

	<b>Current year-to-date ended 31.12.2018 RM</b>	Preceding year-to-date ended 31.12.2017 RM
Sales of advertisement space	<b>1,921,138</b>	1,051,332
Purchase of advertisement space	<b>301,207</b>	175,044
Purchase of online recruitment services	<b>2,674</b>	3,108
Bookkeeping fees	<b>12,000</b>	12,000
Royalty fees	<b>147,537</b>	184,596
Referral fees in relation to sales of advertisement spaces	-	910,887
Management fees in relation to backend support staff costs which include Corporate Strategy, Finance, Business Development, Operation and Creative team based on time allocation of each individual	<b>267,928</b>	199,323

The above transactions had been entered into the ordinary course of business on normal commercial terms and not materially different from those obtainable in transactions with unrelated parties.



**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**
**PART B - Explanatory Notes Pursuant to Chapter 9, Part K - Periodic Disclosures, Part A of Appendix 9B, of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)**
**B1. Performance analysis of the Group for the current quarter and year-to-date**

The Group's review of financial performance are analysed as follows:

	<b>Current quarter ended 31.12.2018 RM'000</b>	Comparative quarter ended 31.12.2017 RM'000	% change	<b>Current year-to-date ended 31.12.2018 RM'000</b>	Preceding year-to-date ended 31.12.2017 RM'000	% change
<b>Overall performance analysis</b>						
Revenue	<b>31,095</b>	27,719	12%	<b>106,934</b>	101,623	5%
Profit from operations	<b>5,335</b>	5,337	(0%)	<b>4,103</b>	1,827	> 100%
Finance costs	<b>(1)</b>	(15)	93%	<b>(23)</b>	(24)	4%
Share of profit of equity-accounted associates, net of tax	<b>105</b>	60	75%	<b>41</b>	351	(88%)
Profit before tax	<b>5,439</b>	5,382	1%	<b>4,121</b>	2,154	91%
Profit after tax	<b>4,339</b>	5,039	(14%)	<b>2,183</b>	1,161	88%
Profit attributable to Owners of the Company	<b>3,889</b>	4,690	(17%)	<b>1,450</b>	1,209	20%

*Current Year-To-Date (“12M18”) compared with Preceding Year-To-Date (“12M17”)*
**(i) Group’s overview of Revenue, Gross Profit and Profit Before Tax**

In 12M18, the Group registered total revenue of RM106.93 million, surpassed the revenue of RM101.62 million in 12M17 by RM5.31 million or 5%. Overall, all the segments achieved a better revenue contribution to the Group except Malaysia, Taiwan and Myanmar. The profit before tax (“PBT”) in 12M18 was almost doubled of PBT in 12M17 by RM1.97 million or 91%, primarily due to better revenue generated in 12M18.

**(ii) Group’s overview of Other Income and Operating Expenses**
**Other income**

Other income increased by RM0.28 million or 44% from RM0.63 million in 12M17 to RM0.91 million in 12M18 due to favourable foreign exchange gain, greater interest income generated and higher management fees charged to an associate in 12M18.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**

**B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)**

*Current Year-To-Date ("12M18") compared with Preceding Year-To-Date ("12M17") (Cont'd)*

**(ii) Group's overview of Other Income and Operating Expenses (cont'd)**

**Operating expenses**

The Group's other operating expenses consist of staff costs, amortisation and depreciation costs, selling and distribution costs and administration expenses.

The operating expenses were slightly increased from RM44.67 million in 12M17 to RM45.32 million in 12M18, by RM0.65 million or 1%, mainly due to higher staff costs incurred after offsetting against the saving from other operating expenses especially on lower foreign exchange losses recorded in 12M18.

**(iii) Group's overview of Liquidity and Financial Ratio**

The Group's principal sources of liquidity are cash from operations and borrowings including overdraft and term loans.

The following summarises the various sources of cash flows as at 31 December 2018 against 31 December 2017:

	<b>Current year- to-date ended 31 December 2018 <u>RM'000</u></b>	<b>Preceding year- to-date ended 31 December 2017 <u>RM'000</u></b>
Net cash generated from/(used in)		
- Operating activities	<b>7,454</b>	(889)
- Investing activities	<b>163</b>	(2,861)
- Financing activities	<b>(160)</b>	(57)
- Exchange difference	<b>327</b>	(1,407)
Net increase/(decrease) in cash and cash equivalents	<b><u>7,784</u></b>	<b><u>(5,214)</u></b>

The Group has cash and cash equivalents amounting to RM22.01 million as at 31 December 2018 as compared with RM14.22 million as at 31 December 2017. The debts to equity ratio in 12M18 is nil due to full settlement of term loans in 4Q18 (12M17: 0.033).

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**
**B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)**

*Current Quarter ("4Q18") compared with Comparative Quarter of Preceding Year ("4Q17")*

**(i) Group's overview of Operating Segments**

	Revenue from external customers			Profit/(Loss) before tax		
	Current quarter ended 31.12.2018 RM'000	Comparative quarter ended 31.12.2017 RM'000	% change	Current quarter ended 31.12.2018 RM'000	Comparative quarter ended 31.12.2017 RM'000	% change
<b>Operating segments</b>						
- Malaysia	<b>9,553</b>	8,212	16%	<b>3,164</b>	3,549	(11%)
- Singapore	<b>4,131</b>	2,716	52%	<b>412</b>	(304)	> 100%
- Vietnam	<b>1,148</b>	511	> 100%	<b>61</b>	(80)	> 100%
- Indonesia	<b>2,926</b>	2,858	2%	<b>498</b>	(40)	> 100%
- Hong Kong and China	<b>8,591</b>	6,836	26%	<b>1,898</b>	2,113	(10%)
- Philippines	<b>3,032</b>	956	> 100%	<b>1,542</b>	(62)	> 100%
- Taiwan	<b>1,431</b>	2,877	(50%)	<b>(407)</b>	270	> (100%)
- South Korea	<b>169</b>	27	> 100%	<b>(164)</b>	(125)	(31%)
- Cambodia	<b>110</b>	-	100%	<b>(36)</b>	(95)	62%
- Myanmar	<b>4</b>	2,726	(100%)	<b>(1,381)</b>	61	> (100%)
	<b>31,095</b>	27,719	12%	<b>5,587</b>	5,287	6%
Less: Inter-segment eliminations	-	-		(148)	95	
	<b>31,095</b>	<b>27,719</b>	12%	<b>5,439</b>	<b>5,382</b>	1%

The Group registered higher revenue of RM31.10 million and PBT of RM5.44 million in 4Q18 as compared to RM27.72 million in revenue and RM5.38 million of PBT in 4Q17, representing 12% increase in revenue and 1% growth in profit. In general, all the segments contributed positively to the Group revenue in the 4Q18 except Taiwan and Myanmar. The improvement in PBT was in tandem with the better revenue generated.

In 4Q18, Malaysia segment's revenue grew by RM1.34 million or 16%, from RM8.21 million in 4Q17 to RM9.55 million in 4Q18, due to higher advertising spending from the existing and new clients. The decrease of RM0.39 million or 11% in PBT from RM3.55 million in 4Q17 to RM3.16 million in 4Q18 was recorded, mainly arising from lower product margin and higher operating costs incurred.

Singapore segment recorded a higher revenue of RM4.13 million and PBT of RM0.41 million in 4Q18, compared with the revenue of RM2.72 million and loss before tax ("LBT") of RM0.30 million in 4Q17, representing 52% increase in revenue and more than double in profit. The increase in revenue was due to the higher value campaigns awarded from recurring and new clients. The positive turnaround from LBT to PBT was in tandem with the increase in revenue and saving in operating cost.

Vietnam segment registered revenue and PBT of RM1.15 million and RM0.06 million respectively in 4Q18, compared with revenue of RM0.51 million and LBT of RM0.08 million in the 4Q17, representing more than 100% improvement in revenue and profits. The growth in revenue was mainly attributable to the repeated orders from new clientele whereas the positive turnaround results from LBT to PBT was in tandem with the higher revenue generated.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018****B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)***Current Quarter ("4Q18") compared with Comparative Quarter of Preceding Year ("4Q17") (Cont'd)***(i) Group's overview of Operating Segments (cont'd)**

Revenue of Indonesia segment in 4Q18 increased slightly to RM2.93 million from RM2.86 million and recorded PBT of RM0.50 million in 4Q18 as compared with LBT of RM0.04 million in 4Q17, representing an increase of RM0.07 million or 2% in revenue and RM0.54 million in PBT. The marginal increase in revenue was due to repeated orders from new clientele in 4Q18. Despite the minimal improvement in revenue, the PBT managed to turnaround from LBT in 4Q17 to PBT in 4Q18, and it is mainly attributable to the higher product margin and saving in operating costs.

For 4Q18, Hong Kong and China segment revenue rose by 26% to RM8.59 million from RM6.84 million in 4Q17. This segment continues to benefit from repeated orders from the existing clientele and additional sales from the new clientele which lead to significant growth in 4Q18. Despite the improvement in revenue, its PBT reduced by RM0.21 million or 10% from RM2.11 million in 4Q17 to RM1.90 million in 4Q18 due to greater staff costs incurred in 4Q18. However, for China segment, its revenue and PBT did not contribute significantly to the Group's result as a whole and remains challenging as the segment is experiencing a transitional period in the process of revising its business strategy and streamlining operations by minimising costs.

The Philippines recorded triple of the revenue generated in 4Q17 from RM0.96 million to RM3.03 million in 4Q18. The tremendous growth in revenue was attributed to the new sales and marketing process and procedures adopted since second half of year 2018 which has successfully received continuous support from existing clients and gained additional new clienteles. The positive turnaround from LBT of RM0.06 million in 4Q17 to RM1.54 million in 4Q18 was due to the increase in revenue and the reversal of allowance of doubtful debts which is no longer required.

Taiwan segment's revenue had reduced by RM1.45 million or 50% from RM2.88 million to RM1.43 million and recorded LBT of RM0.41 million in 4Q18 as compared with PBT of RM0.27 million in 4Q17. The segment is in the midst of making progress realigning sales strategy and business teams, focus on increasing the level of customer service level with a goal to regain a larger market share in the long term. For LBT, it was in tandem with the decrease in revenue.

For South Korea, its revenue was increased by RM0.14 million from RM0.03 million to RM0.17 million. The improvement in revenue was mainly due to sales brought in by a new Korea partner in 4Q18. However, a further loss of RM0.03 million or 31% was recorded due to additional staff cost incurred in 4Q18.

Cambodia and Myanmar segments operations began their operations in the fourth quarter of the year 2017. Cambodia segment managed to secure RM0.11 million revenue from the local market and minimised its losses by RM0.06 million in 4Q18. On the other hand, Myanmar is in the midst of realigning the business strategy to regain the local market share after the loss of a key client in the first half of year 2018. Besides, the significant LBT recorded in Myanmar was due to a bad debt written off on the same client in 4Q18.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**

**B2. Commentary on current quarter compared with immediate preceding quarter**

The Group's review of financial performance are analysed as follows:

	<b>Current quarter ended 31.12.2018 RM'000</b>	Immediate preceding quarter ended 30.9.2018 RM'000	% change
<b>Overall performance analysis</b>			
Revenue	<b>31,095</b>	25,827	20%
Profit/(Loss) from operations	<b>5,335</b>	(1,073)	> 100%
Finance costs	<b>(1)</b>	(4)	75%
Share in profit/(loss) of equity-accounted associates, net of tax	<b>105</b>	(142)	> 100%
Profit/(Loss) before tax	<b>5,439</b>	(1,219)	> 100%
Profit/(Loss) after tax	<b>4,339</b>	(1,244)	> 100%
Profit/(Loss) attributable to Owners of the Company	<b>3,889</b>	(1,575)	> 100%

In 4Q18, the Group's revenue rose to RM31.10 million from RM25.83 million recorded in the immediate preceding quarter. Generally, all the segments contributed positively to the revenue except Indonesia and Myanmar segments.

The Group recorded a PBT of RM5.44 million in 4Q18 as compared with LBT of RM1.22 million in 3Q18, representing RM6.66 million increase in profit. The profit surged for more than 100% as compared with immediate preceding quarter due to the increase in revenue coupled with higher product margins generated.

**B3. Commentary on current year prospects and progress on previously announced revenue or profit forecast**

(a) Prospects for the financial year ending 31 December 2019

Due to the volatility of current economic and foreign exchange situation in the global market, the Board is cautious in its business outlook in the medium term. However, in the longer term, the Board remains optimistic and will continue to innovate and deliver effective data-driven online advertising solutions. The solutions will mainly focus on content marketing, programmatic advertising, as well as the new influencer marketing platform to help advertisers better engage with their audience, and share compelling brand stories.

(b) Progress and steps to achieve revenue or profit estimate, forecast, projection or internal targets previously announced

There was no revenue or profit forecast previously announced by the Company.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**
**B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced**

There was no revenue or profit forecast previously announced by the Company.

**B5. Profit forecast/profit guarantee previously announced**

There was no profit forecast or profit guarantee previously announced by the Company.

**B6. Profit before tax**

		<b>Current quarter ended 31.12.2018 RM'000</b>	Comparative quarter ended 31.12.2017 RM'000	<b>Current year-to-date ended 31.12.2018 RM'000</b>	Preceding year-to-date ended 31.12.2017 RM'000
<b>Profit/(Loss) before tax is arrived at after charging:</b>	<b>Note</b>				
Amortisation of development expenditure	(i)	<b>400</b>	339	<b>1,597</b>	1,360
Allowance for doubtful debts	(i)	<b>(2,306)</b>	(372)	<b>200</b>	1,777
Bad debts written off	(i)	<b>2,670</b>	29	<b>2,670</b>	29
Depreciation	(i)	<b>150</b>	155	<b>577</b>	552
Shares granted under ESS	(i)	-	-	<b>256</b>	-
Impairment loss on goodwill	(i)	<b>148</b>	-	<b>148</b>	-
Impairment loss on plant and equipment	(i)	<b>59</b>	-	<b>59</b>	-
Interest expense					
- bank overdraft	(i)	-	12	<b>15</b>	12
- term loans	(i)	<b>1</b>	3	<b>8</b>	12
Loss on disposal of plant and equipment	(i)	<b>(1)</b>	-	<b>3</b>	-
Loss on foreign exchange					
- realised		<b>(5)</b>	260	<b>239</b>	805
- unrealised	(i)	<b>207</b>	325	<b>374</b>	839
Property, plant and equipment written off	(i)	<b>1</b>	-	<b>2</b>	57
Retirement benefits	(i)	<b>79</b>	183	<b>166</b>	183
<b>And (crediting):</b>					
Allowance for doubtful debts no longer required	(i)	<b>(567)</b>	248	<b>(924)</b>	(430)
Gain on disposal of plant and equipment	(i)	<b>1</b>	-	<b>*</b>	<b>*</b>
Gain on foreign exchange					
- realised		<b>(244)</b>	3	<b>(252)</b>	(30)
- unrealised	(i)	<b>217</b>	(55)	<b>(86)</b>	(175)
Interest income	(i)	<b>(52)</b>	(26)	<b>(210)</b>	(146)
Other income					
- miscellaneous		<b>(107)</b>	(95)	<b>(359)</b>	(278)

(i) represents non-cash and operating items for Statements of Cash Flows.

\* represents value below RM1,000.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**
**B7. Tax expense**

	<b>Current quarter ended 31.12.2018 RM'000</b>	Comparative quarter ended 31.12.2017 RM'000	<b>Current year-to- date ended 31.12.2018 RM'000</b>	Preceding year-to- date ended 31.12.2017 RM'000
In respect of the current year				
Malaysian income tax	441	225	619	567
Outside Malaysia	608	368	998	382
(Over)/Under provision in respect of prior years				
Malaysian income tax	-	25	296	319
Outside Malaysia	(29)	(11)	(29)	(11)
Deferred taxation	80	(264)	54	(264)
<b>Tax expense</b>	<b>1,100</b>	<b>343</b>	<b>1,938</b>	<b>993</b>

Effective tax rate of Malaysia segment was below the statutory tax rate mainly due to the portion of income are not subject to tax. A tax provision was provided in Indonesia, Hong Kong and Philippines segments according to the current year's income tax rate.

**B8. Borrowings and debt securities as at the end of the reporting period**

The Group's borrowings and debt securities at the end of the current year-to-date, denominated in Ringgit Malaysia are as follows:

**(a) Borrowings**

	<b>Non-current RM'000</b>	<b>Current RM'000</b>	<b>Total RM'000</b>
<b>As at 31.12.2018</b>			
<b>Secured</b>			
Term loans	-	-	-
	-	-	-
<b>As at 31.12.2017</b>			
<b>Secured</b>			
Bank overdrafts	-	986	986
Term loans	106	30	136
	106	1,016	1,122

**(b) Commentaries on the Group borrowings and debt securities**

During the current year-to-date ended 31 December 2018, there were no material changes in debts and borrowings except full repayment of term loans.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**

**B9. Changes in material litigation**

As at 14 February 2019 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), saved as disclosed below, the Group was not engaged in any material litigation, claims nor arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the Group or of any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

**(a) Claims made by Innity China Co., Limited (“ICCL”) (the “Plaintiff”) against LETV Sports Culture Develop (HK) Company Limited (“LeSports HK”) (the “Defendant”)**

The Company had on 11 May 2017 announced that ICCL, a subsidiary of the Company, had on 4 May 2017, via its solicitors, Messrs. Chau & Associates, filed a Writ of Summons and Statement of Claim and Mediation Certificate in the High Court of the Hong Kong Special Administrative Region at Hong Kong against LeSports HK (“the Defendants”) for the claim sum of HK\$3,849,755.55 in respect of outstanding advertising fees for services provided by ICCL. ICCL is also claiming interest on overdue advertising fees and costs of the litigation action against the Defendants. A sum of HK\$3,849,755.55 doubtful debts was provided in the 1st quarter of year 2017.

ICCL had on 16 June 2017 received an offer letter together with HKD515,000 settlement amount from LeSports HK, inclusive of HKD15,000 legal cost. The amount of HKD500,000 write back of trade receivable was effected in the quarter.

Subsequently, ICCL entered into a settlement agreement with LeSports HK which recorded the full and final settlement of ICCL claim on 19 June 2017. The said settlement is to be made over 3 installments: -

- (i) a sum of HKD515,000, inclusive of HKD15,000 legal costs, which was paid by LeSports HK by way of a cheque dated 15 June 2017(received on 16 June 2017);
- (ii) a sum of HKD1,674,877.78 of the outstanding sum to be paid by LeSports HK on or before 31 August 2017; and
- (iii) the balance of the outstanding sum in the sum of HKD1,674,877.78 to be paid by LeSports HK on or before 30 September 2017.

Within 3 working days from receiving payment under (iii) above, ICCL shall cause its solicitors to take all necessary steps to discontinue this litigation action, which includes the service of notice of discontinuance on LeSports HK.

Subject to and conditional upon the fulfilment of payment obligations under item (ii) and (iii) above by LeSports HK, ICCL undertakes to withhold further proceedings, and withhold from giving further instructions to its solicitors to proceed with this litigation action.

On 5 September 2017, LeSports HK had failed to perform their payment obligations in accordance with Clause 1(b) of the settlement agreement which stipulates that a sum of HKD1,674,877.78 of the Outstanding Sum to be paid by LeSports HK on or before 31 August 2017.

LeSports HK had subsequently requested and ICCL had consented to give an extension of time until 30 September 2017 to fully settle the balance of the Outstanding Sum amounting to HKD3,349,755.55.

However, on 2 October 2017, LeSports HK had also failed to perform their payment obligations in accordance with Clause 1(a) and (b) of the settlement agreement which stipulate that the balance of the Outstanding Sum amounting to HKD3,349,755.55 is supposed to be fully settled on or before 30 September 2017.



**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**

**B9. Changes in material litigation (Cont'd)**

**(a) Claims made by Innity China Co., Limited (“ICCL”) (the “Plaintiff”) against LETV Sports Culture Develop (HK) Company Limited (“LeSports HK”) (the “Defendant”) (cont'd)**

Accordingly, the Company had on 17 October 2017 further announced that ICCL, had on 16 October 2017, via its solicitors, Messrs. Chau & Associates, re-filed a Writ of Summons and Amended Statements of Claim in the High Court of the Hong Kong Special Administrative Region at Hong Kong against LeSports HK.

The particulars of the Amended Statement of Claim under the Writ of Summons (“the Writ”) are as follows:

- (i) Repayment of the debt sum HK\$3,349,755.55 (after taking into account the partial settlement of HK\$500,000 by LeSports HK on the 15 June 2017);
- (ii) Interest pursuant to Section 48 and 49 of the High Court Ordinance of the Hong Kong Special Administrative Region, Cap.4 on any and all sums found to be due to it at such rate and for such periods as the Court deems fit and proper (the amount claimed is not stated in the Writ);
- (iii) Costs of this litigation action; and
- (iv) Further and other relief as the Court deems fit.

On 28 October 2017, LeSports HK after having acknowledged the service of ICCL's Writ of Summons, had on 29 November 2017, via its solicitors, Messrs. K&L Gates, filed an application for an Order in the High Court of the Hong Kong Special Administrative Region that the Defendant's obligation to file and serve its Defence to Counterclaim (if any) be extended for 28 days from the date of the order to be made.

Subsequently, on 2 January 2018, LeSports HK filed another application for an Order in the High Court of the Hong Kong Special Administrative Region via its solicitors, Messrs. K&L Gates that: -

- (i) The time for the Defendant to file and serve its Defence and Counterclaim (if any) pursuant to the Order of Master S.Lo dated 5 December 2017 be extended for 28 days from the date of the order to be made therein; and
- (ii) Costs of the application be charged to the Plaintiff.

The hearing of the above application on the part of the Defendant had been fixed on 8 January 2018.

ICCL and LeSports HK had on 5 January 2018, via their respective solicitors, Messrs. Chau & Associates and Messrs. K&L Gates, jointly filed an application for an Order (Consent Summons) in the High Court of the Hong Kong Special Administrative Region (“the Court”) that: -

- (i) Unless by 4.00 p.m. on 5 February 2018 the Defendant do file and serve its Defence and Counterclaims (if any), the Defendant be debarred from doing the same and the Plaintiff be at liberty to apply for judgment to be entered against the Defendant with costs;
- (ii) The hearing of the Defendant's summons (the "Defendant's Summons") dated 2 January 2018 scheduled before Master Gary C C Lam on 8 January 2018 at 2.30 p.m. be vacated; and
- (iii) Costs of the Defendant's Summons and its application agreed at HK\$1,040 be paid by the Defendant to the Plaintiff.

The above Order was consented by the Court on the 8 January 2018.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018**

**B9. Changes in material litigation (Cont'd)**

**(a) Claims made by Innity China Co., Limited (“ICCL”) (the “Plaintiff”) against LETV Sports Culture Develop (HK) Company Limited (“LeSports HK”) (the “Defendant”) (cont'd)**

On 5 February 2018, LeSports HK via its solicitors, Messrs. K&L Gates, filed and served its Defence in the High Court of the Hong Kong Special Administrative Region against ICCL’s Amended Statement of Claim dated on 16 October 2017.

Accordingly, ICCL had caused its solicitors to take all necessary steps to continue this litigation action including the application for summary judgement, and any further material development of the matter will be announced in due course.

Subsequently, on 6 February 2018, ICCL and LeSports HK, via their respective solicitors, Messrs. Chau & Associates and Messrs. K&L Gates, jointly filed an application for an Order (Consent Order) in the High Court of the Hong Kong Special Administrative Region that all proceedings be stayed except for the purpose of carrying out the Consent Order and the agreed terms set forth thereto:

- (i) That the Defendant do pay the Plaintiff the sum of HK\$3,349,755.55 [the "Settlement Sum"] (inclusive of interest) in full and final settlement of the Plaintiff's claim in the following manner:
  - (a) HK\$500,000.00 on 5 February 2018 (received on 5 February 2018);
  - (b) HK\$1,424,878.00 on 15 March 2018; and
  - (c) HK\$1,424,877.55 on 15 April 2018.
- (ii) That Defendant do pay the Plaintiff's costs of this action from 16 June 2017 up to the date hereof on a party-and-party basis to be taxed, if not agreed; and
- (iii) That upon payment of the Settlement Sum including the payment of costs as aforesaid, the Plaintiff shall apply for leave to withdraw this action with no order as to costs and the Defendant shall give its respective consent to such application.

On 12 March 2018, LeSports HK had been issued with a winding-up petition by two listed applicants, namely MP & Silva Pte and Media Partners & Silva. Their first hearing for the present winding-up action has been scheduled on 16 May 2018.

Due to this petition, LeSports HK would not perform its payment obligations in accordance with Schedule 1(b) and (b) of the Consent Order dated 6 February 2018 until the petition is withdrawn.

Accordingly, ICCL had caused its solicitors to take all necessary steps to deal with this litigation.

On 4 June 2018, LeSports HK had been issued with a winding-up order by The High Court of the Hong Kong Special Administrative Region ("the Court"). The Court has made a normal winding-up order of which the costs of the supporting contributory are paid out of the assets of LeSports HK.

ICCL had accordingly filed a Proof of Debt to the Court in the prescribed form on 15 June 2018.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2018****B10. Dividends**

There is no dividend declared and paid for the current quarter or the current year-to-date ended 31 December 2018.

**B11. Earnings Per Share (“EPS”) attributable to Owners of the Company**

	<b>Current quarter ended 31.12.2018</b>	Comparative quarter ended 31.12.2017	<b>Current year-to-date ended 31.12.2018</b>	Preceding year-to-date ended 31.12.2017
<b>Basic EPS</b>				
Profit attributable to Owners of the Company (RM'000)	<b>3,889</b>	4,690	<b>1,450</b>	1,209
Weighted average number of ordinary shares in issue ('000)	<b>138,542</b>	138,403	<b>138,542</b>	138,403
<b>Basic EPS (sen)</b>	<b>2.81</b>	3.39	<b>1.05</b>	0.87

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 December 2018.

**B12. Audit report of preceding annual financial statements**

The audit report of the Group's annual financial statements for the preceding year were not subject to any qualification.

**B13. Status of corporate proposals**

There were no corporate proposals announced but not yet completed as at 14 February 2019 (being the date not earlier than 7 days before the date of this announcement).

**B14. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with the Board of Directors' meeting held on 21 February 2019.

**By Order of the Board**

**Phang Chee Leong**  
**Executive Chairman**

21 February 2019