

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	<b>As at 31.3.2019 RM'000</b>	<b>As at 31.12.2018 RM'000</b>
<b>Assets:</b>		
<b>Non-current</b>		
Property, plant and equipment	2,327	2,384
Intangible assets	4,847	4,916
Investment in associates	913	922
Deferred tax assets	501	502
	<b>8,588</b>	<b>8,724</b>
<b>Current</b>		
Trade receivables	32,522	34,619
Other receivables, deposits and prepayments	4,211	4,403
Tax recoverable	596	286
Fixed deposits with licensed banks	4,961	4,240
Cash and bank balances	19,463	18,585
	<b>61,753</b>	<b>62,133</b>
<b>Total Assets</b>	<b>70,341</b>	<b>70,857</b>

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2019 (CONT'D)**

	As at <b>31.3.2019</b> RM'000	As at 31.12.2018 RM'000
<b>Liabilities:</b>		
<b>Non-current</b>		
Deferred tax liabilities	521	569
Retirement benefit obligations	518	428
	<b>1,039</b>	997
<b>Current</b>		
Trade payables	16,706	19,737
Other payables, contract liabilities and accruals	16,436	12,692
Tax payable	545	555
	<b>33,687</b>	32,984
<b>Total Liabilities</b>	<b>34,726</b>	33,981
<b>Net Assets</b>	<b>35,615</b>	36,876
<b>Equity:</b>		
Share capital	19,193	19,194
Reserves	14,016	15,136
Equity attributable to Owners of the Company	<b>33,209</b>	34,330
Non-controlling interests	2,406	2,546
<b>Total Equity</b>	<b>35,615</b>	36,876
<b>Net Assets per share attributable to Owners of the Company (sen)</b>	<b>23.95</b>	24.78

(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 2018)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Note	<b>Current quarter ended 31.3.2019 RM'000</b>	Comparative quarter ended 31.3.2018 RM'000	<b>Current year-to-date ended 31.3.2019 RM'000</b>	Preceding year-to-date ended 31.3.2018 RM'000
<b>Revenue</b>		<b>25,220</b>	24,520	<b>25,220</b>	24,520
Direct costs		<b>(15,163)</b>	(14,254)	<b>(15,163)</b>	(14,254)
Gross profit		<b>10,057</b>	10,266	<b>10,057</b>	10,266
Other operating income		<b>181</b>	216	<b>181</b>	216
Other operating expenses		<b>(11,335)</b>	(11,071)	<b>(11,335)</b>	(11,071)
Loss from operations		<b>(1,097)</b>	(589)	<b>(1,097)</b>	(589)
Finance costs		-	(11)	-	(11)
Share in (loss)/profit of equity-accounted associates, net of tax		<b>(157)</b>	99	<b>(157)</b>	99
<b>Loss before tax</b>	B6	<b>(1,254)</b>	(501)	<b>(1,254)</b>	(501)
Taxation	B7	<b>92</b>	(460)	<b>92</b>	(460)
<b>Loss after tax</b>		<b>(1,162)</b>	(961)	<b>(1,162)</b>	(961)
<b>Other Comprehensive Loss for the period, net of tax</b>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation		<b>(98)</b>	(805)	<b>(98)</b>	(805)
<b>Total Other Comprehensive Loss for the period, net of tax</b>		<b>(98)</b>	(805)	<b>(98)</b>	(805)
<b>Total Comprehensive Loss</b>		<b>(1,260)</b>	(1,766)	<b>(1,260)</b>	(1,766)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 MARCH 2019 (CONT'D)**

	Note	<b>Current quarter ended 31.3.2019 RM'000</b>	Comparative quarter ended 31.3.2018 RM'000	<b>Current year-to-date ended 31.3.2019 RM'000</b>	Preceding year-to-date ended 31.3.2018 RM'000
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		<b>(1,042)</b>	(1,052)	<b>(1,042)</b>	(1,052)
Non-controlling interests		<b>(120)</b>	91	<b>(120)</b>	91
		<b>(1,162)</b>	(961)	<b>(1,162)</b>	(961)
<b>Total Comprehensive Loss attributable to:</b>					
Owners of the Company		<b>(1,120)</b>	(1,715)	<b>(1,120)</b>	(1,715)
Non-controlling interests		<b>(140)</b>	(51)	<b>(140)</b>	(51)
		<b>(1,260)</b>	(1,766)	<b>(1,260)</b>	(1,766)
<b>Loss per share attributable to Owners of the Company (sen)</b>					
Basic	B10	<b>(0.75)</b>	(0.76)	<b>(0.75)</b>	(0.76)

(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 2018)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Attributable to Owners of the Company					Non-controlling interests	Total equity	
	Share capital	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	
<b>Balance as at 1.1.2019</b>	<b>19,193</b>	<b>(2,512)</b>	<b>(155)</b>	<b>248</b>	<b>17,555</b>	<b>34,329</b>	<b>2,546</b>	<b>36,875</b>
Loss after tax	-	-	-	-	(1,042)	(1,042)	(120)	(1,162)
Other comprehensive loss	-	-	(78)	-	-	(78)	(20)	(98)
<b>Total Comprehensive Loss</b>	<b>-</b>	<b>-</b>	<b>(78)</b>	<b>-</b>	<b>(1,042)</b>	<b>(1,120)</b>	<b>(140)</b>	<b>(1,260)</b>
<b>Balance as at 31.3.2019</b>	<b>19,193</b>	<b>(2,512)</b>	<b>(233)</b>	<b>248</b>	<b>16,513</b>	<b>33,209</b>	<b>2,406</b>	<b>35,615</b>
<b>Balance as at 1.1.2018</b>	18,937	(2,512)	(169)	248	17,829	34,333	1,947	36,280
Effects of adoption of MFRS 9	-	-	-	-	(752)	(752)	(133)	(885)
Restated balance as at 1.1.2018	18,937	(2,512)	(169)	248	17,077	33,581	1,814	35,395
(Loss)/Profit after tax	-	-	-	-	(1,052)	(1,052)	91	(961)
Other comprehensive loss	-	-	(663)	-	-	(663)	(142)	(805)
<b>Total Comprehensive Loss</b>	<b>-</b>	<b>-</b>	<b>(663)</b>	<b>-</b>	<b>(1,052)</b>	<b>(1,715)</b>	<b>(51)</b>	<b>(1,766)</b>
Changes in ownership interests in a subsidiary	-	-	7	-	36	43	54	97
<b>Total transaction with Owners and changes in ownership interests</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>36</b>	<b>43</b>	<b>54</b>	<b>97</b>
<b>Balance as at 31.3.2018</b>	<b>18,937</b>	<b>(2,512)</b>	<b>(825)</b>	<b>248</b>	<b>16,061</b>	<b>31,909</b>	<b>1,817</b>	<b>33,726</b>

(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 2018)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Note	Current year-to-date ended 31.3.2019 RM'000	Preceding year-to-date ended 31.3.2018 RM'000
<b>Cash Flows From Operating Activities</b>			
Loss before tax		(1,254)	(501)
Adjustments for:			
Non-cash and non-operating items	B6(i)	836	922
Share in loss/(profit) of equity-accounted associates, net of tax		157	(99)
Operating (loss)/profit before working capital changes		(261)	322
Decrease in trade and other receivables, deposits and prepayments		1,407	6,656
Increase/(Decrease) in trade and other payables, contract liabilities and accruals		986	(2,899)
Cash generated from operations		2,132	4,079
Net income tax paid		(269)	(66)
Net cash from operating activities		1,863	4,013
<b>Cash Flows From Investing Activities</b>			
Expenditure incurred on development expenditure		(332)	(532)
Increase in fixed deposits pledged		(3)	(6)
Interest received		60	24
Purchase of plant and equipment		(103)	(56)
Repayments from associates		225	1,135
Subscription of shares and investment in an associate		(148)	-
Subscription of shares in a subsidiary by non-controlling interest		-	97
Net cash (used in)/from investing activities		(301)	662
<b>Cash Flows From Financing Activities</b>			
Interest paid		*	(11)
Repayments of term loans		-	(9)
Net cash used in financing activities		-	(20)
<b>Net increase in Cash and Cash Equivalents</b>		<b>1,562</b>	<b>4,655</b>
Effects of exchange rate changes		33	(910)
<b>Cash and Cash Equivalents at beginning of period</b>		<b>21,870</b>	<b>14,221</b>
<b>Cash and Cash Equivalents at end of period</b>		<b>23,465</b>	<b>17,966</b>
<b>Cash and Cash Equivalents comprised:</b>			
Bank overdrafts		-	(998)
Cash and bank balances		19,463	18,712
Fixed deposits with licensed banks		4,961	2,073
Other financial assets		-	119
		24,424	19,906
Less: fixed deposits pledged		(959)	(1,940)
		23,465	17,966

\* 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 2018)

## QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019

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 2018 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 2018.

#### **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 2018 except for the newly-issued MFRS, interpretations and amendments to standards to be applied for the financial periods beginning on or after 1 January 2019:

<u>Title</u>	<u>Effective date</u>
MFRS 16 <i>Lease</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interest in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

The adoption of the above-mentioned standards/amendments to standard did not have any material impacts on the financial statements of the Group.

#### **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 FIRST QUARTER ENDED 31 MARCH 2019**

**A6. Issues, repurchases and repayments of debts and equity securities**

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 March 2019.

**A7. Dividends paid**

There were no dividend paid by the Company during the current quarter and current year-to-date ended 31 March 2019.

**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 FIRST QUARTER ENDED 31 MARCH 2019****A8. Segmental information (Cont'd)**

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

	<b>31 March 2019</b>		<b>31 March 2018</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	3.011	3.020	2.945	2.976
1 Hong Kong Dollar	0.520	0.521	0.492	0.501
1 Chinese Renminbi	0.608	0.606	0.615	0.617
1 US Dollar	4.082	4.091	3.864	3.925
100 Indonesian Rupiah	0.029	0.029	0.028	0.029
100 Thai Baht	-	12.934	-	12.438
100 Philippines Peso	7.749	7.811	7.407	7.625
100 Vietnamese Dong	0.018	0.018	0.017	0.017
100 New Taiwan Dollar	13.231	13.269	13.297	13.396
100 South Korean Won	0.359	0.364	0.364	0.366

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**
**A8. Segmental information (Cont'd)**
**Current year-to-date ended 31 March 2019**
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	8,532	3,623	716	2,267	6,158	2,260	1,021	250	393	-	-	25,220
Inter-segment revenue	786	83	26	57	27	18	43	-	-	-	(1,040)	-
Total revenue	9,318	3,706	742	2,324	6,185	2,278	1,064	250	393	-	(1,040)	25,220
<b><u>Segment Results</u></b>												
Results from operating activities	(731)	48	(146)	(147)	72	97	(63)	(140)	23	(40)	(70)	(1,097)
Finance costs	(3)	(7)	(19)	(2)	-	(2)	(37)	-	-	-	70	-
Share in loss of equity- accounted associates, net of tax	(115)	(42)	-	-	-	-	-	-	-	-	-	(157)
(Loss)/Profit before tax	(849)	(1)	(165)	(149)	72	95	(100)	(140)	23	(40)	-	(1,254)
Taxation	43	-	-	49	-	-	-	-	-	-	-	92
(Loss)/Profit after tax	(806)	(1)	(165)	(100)	72	95	(100)	(140)	23	(40)	-	(1,162)
Non-controlling interests	24	-	33	49	(15)	(5)	20	14	-	-	-	120
(Loss)/Profit attributable to Owners of the Company	(782)	(1)	(132)	(51)	57	90	(80)	(126)	23	(40)	-	(1,042)
<b><u>Assets</u></b>												
Segment assets	51,121	7,087	3,848	11,694	16,253	9,675	3,016	369	538	87	(33,347)	70,341
<b><u>Liabilities</u></b>												
Segment liabilities	12,512	4,310	4,595	7,814	8,420	6,307	6,661	535	705	298	(17,431)	34,726

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**
**A8. Segmental information (Cont'd)**
**Current year-to-date ended 31 March 2019 (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	1,200	3,976	7,817	11,819	-	28,941	7,691	68,628	96	-
Inter-segment revenue	27	146	198	53	-	231	323	-	-	-
Total revenue	1,227	4,122	8,015	11,872	-	29,172	8,014	68,628	96	-
<b><u>Segment Results</u></b>										
Results from operating activities	16	(810)	(507)	142	(4)	1,239	(472)	(38,378)	6	(10)
Finance costs	(2)	(106)	(8)	-	-	(28)	(278)	-	-	-
Share in loss of an equity- accounted associate, net of tax	(14)	-	-	-	-	-	-	-	-	-
(Loss)/Profit before tax	*	(916)	(515)	142	(4)	1,211	(750)	(38,378)	6	(10)
Taxation	-	-	168	-	-	(3)	-	-	-	-
(Loss)/Profit after tax	*	(916)	(347)	142	(4)	1,208	(750)	(38,378)	6	(10)
Non-controlling interests	-	182	170	(28)	-	(60)	150	3,838	-	-
(Loss)/Profit attributable to Owners of the Company	*	(734)	(177)	114	(4)	1,148	(600)	(34,540)	6	(10)
<b><u>Assets</u></b>										
Segment assets	2,354	21,378	40,323	30,662	508	124,859	22,797	102,720	132	21
<b><u>Liabilities</u></b>										
Segment liabilities	1,431	25,527	26,945	15,101	934	81,396	50,341	148,932	173	73

\* represents value below RM1,000.

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**
**A8. Segmental information (Cont'd)**
**Preceding year-to-date ended 31 March 2018**
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	8,986	2,963	593	1,810	6,102	2,878	785	34	16	353	-	24,520
Inter-segment revenue	894	-	19	6	-	14	-	4	-	-	(937)	-
Total revenue	9,880	2,963	612	1,816	6,102	2,892	785	38	16	353	(937)	24,520
<b><u>Segment Results</u></b>												
Results from operating activities	(638)	(320)	(69)	182	546	248	(278)	(103)	(57)	(61)	(39)	(589)
Finance costs	(12)	(7)	(15)	-	-	(2)	(14)	-	-	-	39	(11)
Share in profit of equity- accounted associates, net of tax	99	-	-	-	-	-	-	-	-	-	-	99
(Loss)/Profit before tax	(551)	(327)	(84)	182	546	246	(292)	(103)	(57)	(61)	-	(501)
Taxation	(340)	-	-	(9)	(88)	(37)	-	-	-	14	-	(460)
(Loss)/Profit after tax	(891)	(327)	(84)	173	458	209	(292)	(103)	(57)	(47)	-	(961)
Non-controlling interests	18	-	16	(84)	(93)	(11)	58	5	-	-	-	(91)
(Loss)/Profit attributable to Owners of the Company	(873)	(327)	(68)	89	365	198	(234)	(98)	(57)	(47)	-	(1,052)
<b><u>Assets</u></b>												
Segment assets	42,906	5,076	2,502	6,987	10,555	7,217	3,332	825	37	3,011	(17,659)	64,789
<b><u>Liabilities</u></b>												
Segment liabilities	14,430	2,534	3,204	4,120	6,030	3,981	5,732	339	158	2,823	(12,289)	31,062

**QUARTERLY REPORT FOR THE FIRST QUARTER 2019**
**A8. Segmental information (Cont'd)**

Preceding year-to-date ended 31 March 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	996	3,488	6,242	12,143	30	37,741	5,862	9,290	4	90
Inter-segment revenue	-	109	21	-	-	182	3	1,093	-	-
Total revenue	996	3,597	6,263	12,143	30	37,923	5,865	10,383	4	90
<b><u>Segment Results</u></b>										
Results from operating activities	(107)	(404)	627	1,108	(15)	3,257	(2,078)	(28,105)	(14)	(15)
Finance costs	(2)	(90)	(2)	-	-	(28)	(103)	-	-	-
(Loss)/Profit before tax	(109)	(494)	625	1,108	(15)	3,229	(2,181)	(28,105)	(14)	(15)
Taxation	-	-	(32)	(175)	-	(479)	-	-	-	4
(Loss)/Profit after tax	(109)	(494)	593	933	(15)	2,750	(2,181)	(28,105)	(14)	(11)
Non-controlling interests	-	94	(290)	(187)	-	(138)	436	1,407	-	-
(Loss)/Profit attributable to Owners of the Company	(109)	(400)	303	746	(15)	2,612	(1,745)	(26,698)	(14)	(11)
<b><u>Assets</u></b>										
Segment assets	1,724	14,716	24,952	20,720	588	97,434	25,059	226,529	9	779
<b><u>Liabilities</u></b>										
Segment liabilities	860	18,849	14,714	11,109	917	53,743	43,107	93,173	41	730

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**

**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 March 2019.

**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 in Fivestones Digital (SEA) Pte. Ltd.**

On 31 January 2019, Innity Singapore Pte. Ltd. (“ISPL”), an indirect 100%-owned subsidiary of Innity Corporation Berhad (“ICB”), subscribed 49,000 units of ordinary shares in Fivestones Digital (SEA) Pte. Ltd. (“Fivestones Digital”) via cash of SGD49,000 (*equivalent to approximately RM148,950*), representing 49% of the issued and paid-up share capital of Fivestones Digital.

With the subscription, Fivestones Digital became an associate to the Group.

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 March 2019 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 FIRST QUARTER ENDED 31 MARCH 2019****A14. Significant related party transactions**

The following were the significant related party transactions: -

	<b>Current year-to-date ended 31.3.2019 RM</b>	Preceding year-to-date ended 31.3.2018 RM
Sales of advertisement space	<b>646,652</b>	262,687
Purchase of advertisement space	<b>167,089</b>	33,420
Purchase of online recruitment services	-	903
Bookkeeping fees	<b>3,000</b>	3,000
Royalty fees	<b>28,775</b>	49,615
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><u>28,857</u></b>	<u>38,362</u>

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 FIRST QUARTER ENDED 31 MARCH 2019**
**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 31.3.2019 RM'000</b>	Comparative quarter ended 31.3.2018 RM'000	% change	<b>Current year-to-date ended 31.3.2019 RM'000</b>	Preceding year-to-date ended 31.3.2018 RM'000	% change
<b>Overall performance analysis</b>						
Revenue	<b>25,220</b>	24,520	3%	<b>25,220</b>	24,520	3%
Loss from operations	<b>(1,097)</b>	(589)	(86%)	<b>(1,097)</b>	(589)	(86%)
Finance costs	-	(11)	100%	-	(11)	100%
Share of (loss)/profit of equity-accounted associates, net of tax	<b>(157)</b>	99	> (100%)	<b>(157)</b>	99	> (100%)
Loss before tax	<b>(1,254)</b>	(501)	> (100%)	<b>(1,254)</b>	(501)	> (100%)
Loss after tax	<b>(1,162)</b>	(961)	(21%)	<b>(1,162)</b>	(961)	(21%)
Loss attributable to Owners of the Company	<b>(1,042)</b>	(1,052)	1%	<b>(1,042)</b>	(1,052)	1%

*Current Year-To-Date (“3M19”) compared with Preceding Year-To-Date (“3M18”)*
**(i) Group’s overview of Revenue, Gross Profit and Loss Before Tax**

The Group reported total revenue of RM25.22 million in 3M19, representing RM0.70 million or 3% greater than the total revenue of RM24.52 million generated in 3M18. Majority of the business units contributed positively to the Group revenue in 3M19 except for Malaysia, Philippines and Myanmar. Despite an increase in revenue, the loss before tax (“LBT”) was more than double the loss incurred in 3M18 mainly due to lower product mix margin and higher staff costs incurred in 3M19.

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

For 3M19, other income reduced by RM0.04 million or 18% from RM0.22 million in 3M18 to RM0.18 million in 3M19 mainly due to lesser foreign exchange gain recorded by the Group.



**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**

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

*Current Year-To-Date ("3M19") compared with Preceding Year-To-Date ("3M18") (Cont'd)*

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

**Other operating expenses**

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

The other operating expenses were slightly increased from RM11.07 million in 3M18 to RM11.34 million in 3M19, by RM0.27 million or 2%, mainly due to higher staff costs after offsetting against the saving from other operating expenses especially on lower foreign exchange losses recorded in 3M19.

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

The Group's principal sources of liquidity are cash from operations and overdrafts.

The following summarises the various sources of cash flows as at 31 March 2019 against 31 March 2018:

	<b>Current year- to-date ended 31 March 2019 <u>RM'000</u></b>	<b>Preceding year- to-date ended 31 March 2018 <u>RM'000</u></b>
Net cash generated from/(used in)		
- Operating activities	<b>1,863</b>	4,013
- Investing activities	<b>(301)</b>	662
- Financing activities	<b>-</b>	(20)
- Exchange difference	<b>33</b>	(910)
Net increase in cash and cash equivalents	<b><u>1,595</u></b>	<u>3,745</u>

The Group has cash and cash equivalents amounting to RM23.47 million as at 31 March 2019 as compared with RM17.97 million as at 31 March 2018. The debts to equity ratio in 3M19 is nil due to full settlement of term loans in 4Q18 (3M18: 0.035).

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**
**B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)**

*Current Quarter ("1Q19") compared with Comparative Quarter of Preceding Year ("1Q18")*

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

	Revenue from external customers			(Loss)/Profit before tax		
	Current quarter ended 31.3.2019 RM'000	Comparative quarter ended 31.3.2018 RM'000	% change	Current quarter ended 31.3.2019 RM'000	Comparative quarter ended 31.3.2018 RM'000	% change
<b>Operating segments</b>						
- Malaysia	<b>8,532</b>	8,986	(5%)	<b>(849)</b>	(551)	(54%)
- Singapore	<b>3,623</b>	2,963	22%	<b>(1)</b>	(327)	100%
- Vietnam	<b>716</b>	593	21%	<b>(165)</b>	(84)	(96%)
- Indonesia	<b>2,267</b>	1,810	25%	<b>(149)</b>	182	> (100%)
- Hong Kong and China	<b>6,158</b>	6,102	1%	<b>72</b>	546	(87%)
- Philippines	<b>2,260</b>	2,878	(21%)	<b>95</b>	246	(61%)
- Taiwan	<b>1,021</b>	785	30%	<b>(100)</b>	(292)	66%
- South Korea	<b>250</b>	34	> 100%	<b>(140)</b>	(103)	(36%)
- Cambodia	<b>393</b>	16	> 100%	<b>23</b>	(57)	> 100%
- Myanmar	<b>-</b>	353	(100%)	<b>(40)</b>	(61)	34%
	<b>25,220</b>	<b>24,520</b>	3%	<b>(1,254)</b>	<b>(501)</b>	> (100%)

Malaysia segment recorded a revenue of RM8.53 million in 1Q19, representing a decrease of RM0.46 million or 5% from revenue of RM8.99 million in 1Q18. The drop in revenue was mainly due to a reduction in digital spending from the existing clientele in 1Q19. The segment's LBT has increased by 54% from RM0.55 million in 1Q18 to RM0.85 million in 1Q19, mainly due to share of losses incurred by equity-accounted associates and lower revenue generated in this current quarter.

Singapore segment in 1Q19 posted revenue and a marginally LBT of RM3.62 million and RM1,000 respectively, compared with revenue of RM2.96 million and LBT of RM0.33 million in the 1Q18, representing 22% increase in revenue and almost 100% improvement in LBT. The better performance in revenue was attributed to the repeated orders from existing and new clientele which has consequently resulted in profit. Besides, the share of additional loss of RM0.04 million incurred by a newly acquired associate has impacted the profit of this segment.

For the 1Q19, Vietnam segment registered a revenue of RM0.72 million and LBT of RM0.17 million compared with RM0.59 million in revenue and LBT of RM0.08 million in 1Q18. The increase in revenue was due to digital advertising spending from a few new clientele. With the effort of consistent follow-up and services rendered in the past quarters, we have now received a favourable response from the new customers. Despite the growth in revenue, the LBT of this segment remained higher mainly due to lower margin campaigns awarded.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**

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

*Current Quarter ("1Q19") compared with Comparative Quarter of Preceding Year ("1Q18") (Cont'd)*

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

Indonesia segment's revenue gained by 25% from RM1.81 million to RM2.27 million. This segment continues to be robust as it had been successfully awarded a one-year recurring advertising spending by a new client in the current quarter. The LBT of RM0.15 million was recorded in 1Q19 as compared with PBT of RM0.18 million in 1Q18. The lower margin campaigns awarded in 1Q19 coupled with the higher operating costs had led to 182% adverse impact on the profit.

Hong Kong and China segment recorded a marginal improvement in revenue by 1% from RM6.10 million in 1Q18 to RM6.16 million in 1Q19, mainly due to favourable foreign exchange rate arising from the devaluation of MYR against HKD in 1Q19. However, the PBT was decreased from RM0.55 million in 1Q18 to RM0.07 million in 1Q19, representing a reduction of RM0.48 million or 87%, mainly due to higher staff costs incurred by Hong Kong business unit in 1Q19. China segment did not contribute significantly to the Group's result as a whole and it remains challenging as the segment is experiencing a transitional period in the process of revising its business strategy and streamlining operations by minimising operating costs.

The Philippines posted lower revenue in 1Q19 at RM2.26 million as compared with revenue of RM2.88 million in 1Q18, representing 21% lower than 1Q18. This was due to lesser digital advertising spending from a few of the key clientele during 1Q19. The lower of PBT was in tandem with the reduction in revenue.

Taiwan segment achieved a significant growth in revenue and lower LBT for 1Q19 at RM1.02 million and RM0.10 million respectively as compared with revenue of RM0.79 million and LBT of RM0.29 million in 1Q18, representing an increase of 30% in revenue and 66% in profit. This segment is gaining a positive momentum gradually from the team's past efforts which resulted in repeated orders from existing and new clients. A slightly better result recorded in LBT was mainly in tandem with the increase in revenue.

For South Korea, its revenue was increased by RM0.22 million from RM0.03 million in 1Q18 to RM0.25 million in 1Q19. The segment is making good progress in gaining new clients in the current quarter. However, a further loss of RM0.04 million, from LBT of RM0.10 million in 1Q18 to LBT of RM0.14 million in 1Q19, was mainly due to an increase in staff costs.

During the current quarter, Cambodia segment's revenue was rose by RM0.37 million from RM0.02 million in 1Q18 to RM0.39 million in 1Q19. After a period of time from its establishment in the fourth quarter of year 2017, this segment began to benefit from promising acceptance from its local market. The surged in revenue had consequently turnaround the performance from LBT of RM0.06 million to PBT of RM0.02 million. On the other hand, Myanmar is in the process of realigning the business strategy to regain the local market share, which is in line with ICB regional direction and expect to sustain business volume in Myanmar market in the long run.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**

**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 31.3.2019 RM'000</b>	Immediate preceding quarter ended 31.12.2018 RM'000	% change
<b>Overall performance analysis</b>			
Revenue	<b>25,220</b>	31,095	(19%)
(Loss)/Profit from operations	<b>(1,097)</b>	5,335	> (100%)
Finance costs	-	(1)	100%
Share in (loss)/profit of equity-accounted associates, net of tax	<b>(157)</b>	105	> (100%)
(Loss)/Profit before tax	<b>(1,254)</b>	5,439	> (100%)
(Loss)/Profit after tax	<b>(1,162)</b>	4,339	> (100%)
(Loss)/Profit attributable to Owners of the Company	<b>(1,042)</b>	3,889	> (100%)

For 1Q19, the Group's revenue dipped by RM5.88 million or 19% from RM31.10 million in 4Q18 to RM25.22 million in 1Q19. The lower revenue was due to the cyclical nature of the business whereby sales in the first half of the calendar year is usually slower but it is expected to pick up in the second half of the year.

The Group recorded LBT of RM1.25 million in 1Q19 as compared with PBT of RM5.44 million in 4Q18. The decrease in revenue and lower product margin had consequently led to a drop in PBT.

**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 FIRST QUARTER ENDED 31 MARCH 2019**
**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. Loss before tax**

Loss before tax is arrived at after charging:	Note	Current quarter ended 31.3.2019 RM'000	Comparative quarter ended 31.3.2018 RM'000	Current year-to-date ended 31.3.2019 RM'000	Preceding year-to-date ended 31.3.2018 RM'000
Amortisation of development expenditure	(i)	400	399	400	399
Allowance for doubtful debts	(i)	217	327	217	327
Depreciation	(i)	146	136	146	136
Interest expense					
- bank overdraft	(i)	*	8	*	8
- term loans	(i)	-	3	-	3
Loss on foreign exchange					
- realised		63	316	63	316
- unrealised	(i)	167	468	167	468
Retirement benefits	(i)	31	29	31	29
<b>And (crediting):</b>					
Allowance for doubtful debts no longer required	(i)	(58)	(320)	(58)	(320)
Gain on disposal of plant and equipment	(i)	-	*	-	*
Gain on foreign exchange					
- realised		(31)	*	(31)	*
- unrealised	(i)	(7)	(104)	(7)	(104)
Interest income	(i)	(60)	(24)	(60)	(24)
Other income					
- miscellaneous		(83)	(88)	(83)	(88)

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

\* represents value below RM1,000.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**
**B7. Taxation**

	<b>Current quarter ended 31.3.2019 RM'000</b>	Comparative quarter ended 31.3.2018 RM'000	<b>Current year-to- date ended 31.3.2019 RM'000</b>	Preceding year-to- date ended 31.3.2018 RM'000
In respect of the current year				
Malaysian income tax	5	-	5	-
Outside Malaysia	-	120	-	120
(Over)/Under provision in respect of prior years				
Malaysian income tax	-	305	-	305
Outside Malaysia	(49)	-	(49)	-
Deferred taxation	(48)	35	(48)	35
	<b>(92)</b>	460	<b>(92)</b>	460

There was no tax provision provided by the companies of the Group except for an entity which situated in Malaysia. The estimated tax provision of RM5,000 is calculated based on its taxable profit.

**B8. Changes in material litigation**

As at 17 May 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.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**

**B8. 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)**

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.

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 Summon, 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.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**

**B8. 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)**

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.

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.



**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**

**B8. 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)**

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.

**B9. Dividends**

There is no dividend declared and paid for the current quarter or the current year-to-date ended 31 March 2019.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2019**

**B10. Loss Per Share (“LPS”) attributable to Owners of the Company**

	<b>Current quarter ended 31.3.2019</b>	Comparative quarter ended 31.3.2018	<b>Current year-to-date ended 31.3.2019</b>	Preceding year-to-date ended 31.3.2018
<b>Basic LPS</b>				
Loss attributable to Owners of the Company (RM'000)	<b>(1,042)</b>	(1,052)	<b>(1,042)</b>	(1,052)
Weighted average number of ordinary shares in issue ('000)	<b>138,641</b>	138,403	<b>138,641</b>	138,403
<b>Basic LPS (sen)</b>	<b>(0.75)</b>	(0.76)	<b>(0.75)</b>	(0.76)

Diluted loss per share is not computed as the Company does not have any convertible financial instruments as at 31 March 2019.

**B11. 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.

**B12. Status of corporate proposals**

There were no corporate proposals announced but not yet completed as at 17 May 2019 (being the date not earlier than 7 days before the date of this announcement).

**B13. 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 24 May 2019.

**By Order of the Board**

**Phang Chee Leong**  
Executive Chairman

24 May 2019