

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Assets:		
Non-current		
Property, plant and equipment	1,711	2,384
Intangible assets	5,165	4,916
Right-of-use assets	2,526	-
Investment in associates	997	922
Deferred tax assets	724	502
	<hr/> 11,123	<hr/> 8,724
Current		
Trade receivables	32,453	34,619
Other receivables, deposits and prepayments	3,834	4,403
Tax recoverable	742	286
Fixed deposits with licensed banks	5,545	4,240
Cash and bank balances	19,439	18,585
	<hr/> 62,013	<hr/> 62,133
Total Assets	<hr/> 73,136	<hr/> 70,857

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Liabilities:		
Non-current		
Deferred tax liabilities	621	569
Lease liabilities	802	-
Retirement benefit obligations	605	428
	2,028	997
Current		
Trade payables	18,971	19,738
Lease liabilities	1,053	-
Other payables, contract liabilities and accruals	11,464	12,691
Tax payable	1,001	556
	32,489	32,985
Total Liabilities	34,517	33,982
Net Assets	38,619	36,875
Equity:		
Share capital	19,342	19,193
Reserves	16,551	15,136
Equity attributable to Owners of the Company	35,893	34,329
Non-controlling interests	2,726	2,546
Total Equity	38,619	36,875
Net Assets per share attributable to Owners of the Company (sen)	25.82	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 FOURTH QUARTER 2019
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Current quarter ended	Comparative quarter ended	Current year-to-date ended	Preceding year-to-date ended
Note	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Revenue	30,154	31,095	117,190	106,934
Direct costs	(15,985)	(14,032)	(69,487)	(58,417)
Gross profit	14,169	17,063	47,703	48,517
Other operating income	246	185	931	907
Other operating expenses	(12,207)	(11,913)	(45,463)	(45,321)
Profit from operations	2,208	5,335	3,171	4,103
Finance costs	(149)	(1)	(149)	(23)
Share in (loss)/profit of equity-accounted associates, net of tax	(328)	105	(773)	41
Profit before tax	1,731	5,439	2,249	4,121
Income tax expense	(367)	(1,100)	(856)	(1,938)
Profit after tax	1,364	4,339	1,393	2,183
Other Comprehensive Income/(Loss) for the period, net of tax				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation	(103)	380	213	(22)
<i>Item that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement of retirement benefit obligations	(11)	147	(11)	147
Total Other Comprehensive (Loss)/Income for the period, net of tax	(114)	527	202	125
Total Comprehensive Income	1,250	4,866	1,595	2,308

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

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

	Current quarter ended	Comparative quarter ended	Current year-to-date ended	Preceding year-to-date ended
Note	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Owners of the Company	1,041	3,889	1,250	1,450
Non-controlling interests	323	450	143	733
	1,364	4,339	1,393	2,183
Total Comprehensive Income				
attributable to:				
Owners of the Company	970	4,308	1,415	1,561
Non-controlling interests	280	558	180	747
	1,250	4,866	1,595	2,308
Earnings per share attributable				
to Owners of the Company (sen)				
Basic	0.75	2.81	0.90	1.05

(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 FOURTH QUARTER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

	Attributable to Owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Reverse acquisition reserve	Foreign exchange reserve	Other reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000			
Balance as at 1.1.2019	19,193	(2,512)	(155)	248	17,555	34,329	2,546	36,875
Profit after tax	-	-	-	-	1,250	1,250	143	1,393
Other comprehensive income/(loss)	-	-	175	-	(10)	165	37	202
Total Comprehensive Income	-	-	175	-	1,240	1,415	180	1,595
Issuance of ordinary shares pursuant to ESS (Note A6)	149	-	-	-	-	149	-	149
Total transaction with Owners and changes in ownership interests	149	-	-	-	-	149	-	149
Balance as at 31.12.2019	19,342	(2,512)	20	248	18,795	35,893	2,726	38,619
Balance as at 1.1.2018 as previously reported	18,937	(2,512)	(168)	248	17,827	34,332	1,947	36,279
Effects of adoption of MFRS 9	-	-	-	-	(1,863)	(1,863)	(202)	(2,065)
Restated balance as at 1.1.2018	18,937	(2,512)	(168)	248	15,964	32,469	1,745	34,214
Profit after tax	-	-	-	-	1,450	1,450	733	2,183
Other comprehensive Income	-	-	6	-	105	111	14	125
Total Comprehensive Income	-	-	6	-	1,555	1,561	747	2,308
Issuance of ordinary shares pursuant to ESS	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
Balance as at 31.12.2018	19,193	(2,512)	(155)	248	17,555	34,329	2,546	36,875

(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 FOURTH QUARTER 2019
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Note	Current year-to-date ended 31.12.2019 RM'000	Preceding year-to-date ended 31.12.2018 RM'000
Cash Flows From Operating Activities			
Profit before tax		2,249	4,121
Adjustments for:			
Non-cash and non-operating items	B6(i)	4,075	4,855
Share in (loss)/profit of equity-accounted associates, net of tax		773	(41)
Operating profit before working capital changes		<u>7,097</u>	8,935
Decrease/(Increase) in trade and other receivables, deposits and prepayments		2,791	(824)
(Decrease)/Increase in trade and other payables, contract liabilities and accruals		<u>(2,017)</u>	1,855
Cash generated from operations		7,871	9,966
Income tax paid		(1,012)	(1,782)
Income tax refunded		5	-
Retirement benefit paid		(3)	(1)
Net cash from operating activities		<u>6,861</u>	8,183
Cash Flows Used in Investing Activities			
Expenditure incurred on development expenditure		(1,863)	(1,425)
(Placements)/Withdrawals in fixed deposits pledged		(1,068)	978
Interest received		310	210
Proceeds from disposals of plant and equipment		*	21
Purchase of plant and equipment		(559)	(429)
Advance to associates		(688)	(154)
Subscription of shares and investment in an associate		(758)	-
Subscription of shares in a subsidiary by a non-controlling interest		-	97
Net cash used in investing activities		<u>(4,626)</u>	(702)
Cash Flows Used in Financing Activities			
Interest paid		*	(23)
Repayments of term loans		-	(137)
Repayment of lease liabilities		(1,329)	-
Net cash used in financing activities		<u>(1,329)</u>	(160)
Net increase in Cash and Cash Equivalents		906	7,321
Effects of exchange rate changes		185	327
Cash and Cash Equivalents at beginning of period		21,870	14,221
Cash and Cash Equivalents at end of period		22,961	21,869
Cash and Cash Equivalents comprised:			
Cash and bank balances		19,439	18,585
Fixed deposits with licensed banks		5,545	4,240
		<u>24,984</u>	22,825
Less: fixed deposits pledged		(2,023)	(956)
		<u>22,961</u>	21,869

* 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)

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>Leases</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 and amendment to standards did not have any material effect on the financial statements of the Group except for the following:

MFRS 16 Leases

The Group has adopted MFRS 16 leases and applied this standard retrospectively with a date of initial application on 1 January 2019. In accordance with the transition requirements under Appendix C, paragraph 5(b) of the Standard, comparatives are not stated.

As a results of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance lease and operating lease under the MFRS 117 leases are no longer required. MFRS 16 required lessee to recognise a right-of-use assets representing its right to use the underlying leased asset and a lease liability representing future lease payments obligation in the financial position. In the lessor accounting, The lessor continues to classify its leases as operating leases or finance leases and account them differently.

A2. Significant accounting policies (Cont'd)

The effect of adoption of MFRS 16 for the Group in the Statement of Financial Position as at 1 January 2019 are as follows:

	Note	As at 31.12.2018 RM'000	Effects of adoption of MFRS 16 RM'000	As at 1.1.2019 RM'000
Statement of Financial Position				
Non current Assets				
Right-of-use assets	(a)	-	2,264	2,264
Liabilities				
Lease liabilities	(b)	-	825	825
Non current liabilities				
Lease liabilities	(b)	-	719	719
Total lease liabilities		-	1,544	1,544

(a) The right-of-use assets comprise leasehold office space and store leased and recognised during the period. Subsequent to initial recognition, the right-of-use assets are measured at cost less accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities.

(b) The lease liabilities are recognised and discounted using the interest rate of 8.24%. Subsequent to initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payment made and remeasuring the carrying amount to reflect any reassessment or lease modification.

There is no impact to the Group retained earnings as at 1 January 2019. The Group elected to apply exemption for the lease of photocopy machines which is of low value in accordance to appendix B, paragraph (5) to paragraph (8) of this Standard.

A3. Seasonality or cyclical nature 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.

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

As at 28 May 2019, 300,000 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 2019 are as follows:

	<u>No. of shares</u>	<u>RM</u>
As at 1 January 2019	138,803,415	19,193,531
Ordinary shares issued pursuant to the ESS	300,000	148,500
As at 31 December 2019	<u>139,103,415</u>	<u>19,342,031</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 2019.

A7. Dividends paid

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

A8. Segmental information (Cont'd)

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

	31 December 2019		31 December 2018	
	Closing rate	Average rate	Closing rate	Average rate
	RM	RM	RM	RM
1 Singapore Dollar	3.036	3.036	3.033	2.991
1 Hong Kong Dollar	0.525	0.529	0.528	0.515
1 Chinese Renminbi	0.586	0.600	0.601	0.610
1 United States Dollar	4.087	4.142	4.136	4.036
100 Indonesian Rupiah	0.029	0.029	0.029	0.028
100 Thai Baht	-	13.350	-	12.484
100 Philippines Peso	8.061	8.001	7.874	7.662
100 Vietnamese Dong	0.018	0.018	0.018	0.018
100 New Taiwan Dollar	13.639	13.405	13.523	13.385
100 South Korean Won	0.354	0.356	0.371	0.367

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

A8. Segmental information (Cont'd)

Current year-to-date ended 31 December 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
Revenue												
Revenue from external customers	38,553	13,753	4,018	13,896	30,143	9,882	4,481	989	1,429	46	-	117,190
Inter-segment revenue	3,666	270	108	239	99	149	220	76	*	-	(4,827)	-
Total revenue	42,219	14,023	4,126	14,135	30,242	10,031	4,701	1,065	1,429	46	(4,827)	117,190
Segment Results												
Results from operating activities	110	650	(455)	(397)	3,079	1,345	(90)	(564)	(26)	(227)	(254)	3,171
Finance costs	(58)	(42)	(99)	(30)	(23)	(25)	(126)	-	-	-	254	(149)
Share in loss of equity- accounted associates, net of tax	(362)	(411)	-	-	-	-	-	-	-	-	-	(773)
(Loss)/Profit before tax	(310)	197	(554)	(427)	3,056	1,320	(216)	(564)	(26)	(227)	-	2,249
Income tax expense	(228)	-	-	(51)	(407)	(157)	(13)	-	-	-	*	(856)
(Loss)/Profit after tax	(538)	197	(554)	(478)	2,649	1,163	(229)	(564)	(26)	(227)	-	1,393
Non-controlling interests	(25)	-	108	235	(540)	(58)	81	56	-	-	-	(143)
(Loss)/Profit attributable to Owners of the Company	(563)	197	(446)	(243)	2,109	1,105	(148)	(508)	(26)	(227)	-	1,250
Assets												
Segment assets	54,516	7,260	4,576	7,030	20,231	12,151	3,054	401	870	219	(37,172)	73,136
Liabilities												
Segment liabilities	15,724	3,379	5,709	3,839	8,954	7,584	6,942	989	1,086	614	(20,303)	34,517

* represents value below RM1,000.

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

A8. Segmental information (Cont'd)

Current year-to-date ended 31 December 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
<u>Revenue</u>										
Revenue from external customers	4,530	22,323	47,917	56,982	-	123,509	33,427	277,780	345	11
Inter-segment revenue	89	602	822	186	-	1,865	1,643	21,375	*	-
Total revenue	4,619	22,925	48,739	57,168	-	125,374	35,070	299,155	345	11
<u>Segment Results</u>										
Results from operating activities	214	(2,527)	(1,368)	5,941	(80)	16,810	(670)	(158,316)	(6)	(55)
Finance costs	(14)	(552)	(105)	(44)	-	(310)	(936)	-	-	-
Share in loss of an equity- accounted associate, net of tax	(136)	-	-	-	-	-	-	-	-	-
Profit/(loss) before tax	64	(3,079)	(1,473)	5,897	(80)	16,500	(1,606)	(158,316)	(6)	(55)
Income tax expense	-	-	(178)	(769)	-	(1,960)	(98)	-	-	-
Profit/(loss) after tax	64	(3,079)	(1,651)	5,128	(80)	14,540	(1,704)	(158,316)	(6)	(55)
Non-controlling interests	-	598	809	(1,026)	-	(727)	602	15,832	-	-
Profit/(loss) attributable to Owners of the Company	64	(2,481)	(842)	4,102	(80)	13,813	(1,102)	(142,484)	(6)	(55)
<u>Assets</u>										
Segment assets	2,391	25,424	24,241	37,956	520	150,743	22,381	113,223	213	54
<u>Liabilities</u>										
Segment liabilities	1,113	31,714	13,237	15,982	961	94,083	50,896	279,409	266	150

* represents value below USD1,000.

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

A8. Segmental information (Cont'd)

Preceding year-to-date ended 31 December 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
Revenue												
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
Segment Results												
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 loss 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
Assets												
Segment assets	50,257	7,151	4,129	8,991	16,911	8,265	3,493	402	257	90	(29,089)	70,857
Liabilities												
Segment liabilities	13,493	4,245	4,720	5,427	9,023	4,940	7,117	431	450	264	(16,128)	33,982

QUARTERLY REPORT FOR THE FOURTH QUARTER 2019

A8. Segmental information (Cont'd)

Preceding 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
<u>Revenue</u>										
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
<u>Segment Results</u>										
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)
<u>Assets</u>										
Segment assets	2,358	22,939	31,005	31,441	516	104,982	25,829	108,348	62	22
<u>Liabilities</u>										
Segment liabilities	1,400	26,223	18,714	16,024	935	47,669	52,628	116,157	109	64

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 2019.

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

On 24 September 2019, Innity Myanmar Co., Ltd (“Innity Myanmar”), a wholly-owned subsidiary company of Innity Sdn Bhd (“ISB”), which is an indirect wholly-owned subsidiary company of the Company entered into an agreement with existing shareholders, ISB and new investor Myanmar Marketing Research and Development Co., Ltd (“MMRD”) to raise capital to support the growth of Innity Myanmar. The issuance and allotment of the ordinary shares from Innity Myanmar and subscription shares from MMRD are in accordance with the terms and conditions set out in the Share Subscription and Shareholders Agreement.

Innity Myanmar issued additional 40,000 new ordinary shares for first tranche of subscription with total capital contribution of USD40,000 (or equivalent to RM162,360 at the exchange rate of USD1: RM4.059). The 31,500 and 8,500 new ordinary shares were subscribed by MMRD and ISB respectively via total cash consideration of USD40,000 on 17 January 2020 and 11 February 2020.

Upon the completion, the Company’s effective equity interest in shares of Innity Myanmar is diluted from 100% to 65%.

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 wholly-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 RM151,056*), representing 49% of the issued and paid-up share capital of Fivestones Digital.

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

ISPL further subscribed an additional 196,000 units of ordinary shares for SGD196,000 in Fivestones Digital (equivalent to approximately RM607,050) on 24 September 2019.

The additional subscription did not affect the Group shareholdings structure in Fivestones Digital.

(b) Striking off of Tresixty Media Sdn. Bhd.

Tresixty Media Sdn. Bhd. (“Tresixty”), an indirect wholly-owned subsidiary of ICB, had been struck off from the Register and published in the Gazette on 24 May 2019 pursuant to Section 551 of the Companies Act 2016.

The striking off of Tresixty has no material financial impact to the Group as Tresixty was dormant prior to its striking off arrangement.

A11. Effects of changes in the composition of the Group for the current year-to-date (Cont'd)**(c) Incorporation of Passionation (Hong Kong) Limited**

On 18 September 2019, Innity China Co., Limited (“ICCL”), an indirect 80%-owned subsidiary of ICB, incorporated a wholly-owned subsidiary in Hong Kong, namely Passionation (Hong Kong) Limited (“Passionation HK”). The issued and paid-up share capital of Passionation HK is Hong Kong Dollar (“HKD”) 1,500,000, divided into 1,500,000 ordinary shares of HKD1.00.

The principal activity of Passionation HK is to develop content and influencer marketing, as well as to be an online media platform.

The incorporation of Passionation HK did not have any material effect on the share capital, shareholding structure, net assets per share and earnings per share of ICB.

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 2019 under review.

A12. Changes in contingent liabilities or contingent assets

The Directors are of the opinion that the Group has no material 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

Capital commitment authorised but not provided for in the financial statements is as follows:

	As at 31.12.2019 RM	As at 31.12.2018 RM
Purchase of leasehold shop office		
- Approved but not provided for	420,000	-

A14. Significant related party transactions

The following were the significant related party transactions: -

	Current year-to-date ended 31.12.2019 RM	Preceding year-to-date ended 31.12.2018 RM
Sales of advertisement space	1,587,545	1,921,138
Purchase of advertisement space	979,646	301,207
Purchase of online recruitment services	3,083	2,674
Bookkeeping fees income	12,000	12,000
Royalty fees income	148,412	147,537
Management fees income	365,845	267,928

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 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:

	Current quarter ended 31.12.2019	Comparative quarter ended 31.12.2018	% change	Current year-to-date ended 31.12.2019	Preceding year-to-date ended 31.12.2018	% change
	RM'000	RM'000		RM'000	RM'000	
Overall performance analysis						
Revenue	30,154	31,095	(3%)	117,190	106,934	10%
Profit from operations	2,208	5,335	(59%)	3,171	4,103	(23%)
Finance costs	(149)	(1)	>(100%)	(149)	(23)	>(100%)
Share of loss of equity-accounted associates, net of tax	(328)	105	>(100%)	(773)	41	>(100%)
Profit before tax	1,731	5,439	(68%)	2,249	4,121	(45%)
Profit after tax	1,364	4,339	(69%)	1,393	2,183	(36%)
Profit attributable to the Owners of the Company	1,041	3,889	(73%)	1,250	1,450	(14%)

Current Year-To-Date (“12M19”) compared with Preceding Year-To-Date (“12M18”)
(i) Group’s overview of Revenue, Gross Profit and Profit/(Loss) Before Tax

In 12M19, the Group registered total revenue of RM117.19 million, representing an increase of RM10.26 million or 10% as compared with RM106.93 million recorded in 12M18. Majority of the segments achieved an improvement in the Group’s revenue contribution except Taiwan and Myanmar. The Group achieved profit before tax (“PBT”) of RM2.25 million in 12M19 as compared to PBT of RM4.12 million in 12M18, despite an increase in revenue the PBT declined by 45%, this was mainly attributed from the lower sales mix margin.

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

Other operating income was marginally increased by RM0.03 million or 3% from RM0.90 million in 12M18 to RM0.93 million in 12M19.

B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)*Current Year-To-Date ("12M19") compared with Preceding Year-To-Date ("12M18") (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 Group's other operating expenses were marginally increased by 1% in 12M19 as compared with 12M18.

(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 December 2019 against 31 December 2018:

	Current year- to-date ended 31 December 2019 <u>RM'000</u>	Preceding year- to-date ended 31 December 2018 <u>RM'000</u>
Net cash generated from		
- Operating activities	6,861	8,183
- Investing activities	(4,626)	(702)
- Financing activities	(1,329)	(160)
- Exchange difference	185	327
Net increase in cash and cash equivalents	<u>1,091</u>	<u>7,648</u>

The Group has cash and cash equivalents amounting to RM22.96 million as at 31 December 2019 as compared with RM21.87 million as at 31 December 2018. The debts to equity ratio in 12M19 is nil due to the full settlement of term loans in 4Q18 (12M18: Nil).

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

Current Quarter ("4Q19") compared with Comparative Quarter of Preceding Year ("4Q18")

(i) Group's overview of Operating Segments

	Revenue from external customers			Profit/(Loss) before tax		
	Current quarter ended 31.12.2019 RM'000	Comparative quarter ended 31.12.2018 RM'000	% change	Current quarter ended 31.12.2019 RM'000	Comparative quarter ended 31.12.2018 RM'000	% change
Operating segments						
- Malaysia	8,794	9,553	(8%)	(488)	3,164	>(100%)
- Singapore	3,507	4,131	(15%)	(59)	412	>(100%)
- Vietnam	1,834	1,148	60%	139	61	>100%
- Indonesia	1,624	2,926	(44%)	84	498	(83%)
- Hong Kong and China	9,694	8,591	13%	1,334	1,898	(30%)
- Philippines	2,671	3,032	(12%)	795	1,542	(48%)
- Taiwan	1,038	1,431	(27%)	(36)	(407)	91%
- South Korea	348	169	> 100%	(69)	(164)	58%
- Cambodia	602	110	> 100%	63	(36)	> 100%
- Myanmar	42	4	> 100%	(32)	(1,381)	98%
	30,154	31,095	(3%)	1,731	5,587	(69%)
Less: Inter-segment eliminations	-	-		-	(148)	
	30,154	31,095	(3%)	1,731	5,439	(68%)

Malaysia segment recorded a revenue and LBT of RM8.79 million and RM0.49 million respectively in 4Q19, compared with revenue of RM9.55 million and PBT of RM3.16 million in 4Q18, representing a decrease of 8% and 115% in revenue and PBT. The drop in revenue was mainly due to reduced digital advertising spending from a few existing clientele. For the LBT, the deteriorated results in 4Q19 was mainly attributable to the drop in product margin.

Singapore segment posted revenue and LBT of RM3.51 million and RM0.06 million respectively in 4Q19, compared with revenue of RM4.13 million and PBT of RM0.41 million in 4Q18, representing RM0.62 million and RM0.47 million decrease in revenue and PBT. The lower revenue registered in 4Q19 was mainly due to reduced digital advertising spending from existing clientele. Despite the segment revenue dropping to 15%, the product margin has improved by 16% in 4Q19 as compared to 4Q18. Nevertheless, the increased operating expenses couple with share of the associated company losses has surpassed the improved product margin, which resulted in the LBT.

For 4Q19, Vietnam segment registered a revenue of RM1.83 million and PBT of RM0.14 million compared with RM1.15 million in revenue and PBT of RM0.06 million in 4Q18. The surge in revenue by 60% was due to a new customer who contributed heavily towards the increase in revenue coupled with increase in the number of campaigns executed in the current quarter. The rise in PBT in 4Q19 was in tandem with the increase in revenue.

B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)*Current Quarter ("4Q19") compared with Comparative Quarter of Preceding Year ("4Q18") (Cont'd)***(i) Group's overview of Operating Segments (cont'd)**

For the 4Q19, Indonesia segment's revenue decreased by 44% to RM1.62 million from RM2.93 million in 4Q18. The segment's revenue was adversely affected by the discontinued digital advertising spending from a few key customers who were the main contributors of revenue in 4Q18. The reduced PBT by 83%, was mainly in tandem with the lower revenue generated in the current quarter.

In 4Q19, Hong Kong segment's revenue increased by 13% from RM8.59 million in 4Q18 to RM9.69 million. The rise in digital advertising spending was mainly due to the additional revenue contributed from a number of new clientele pitched in year 2019. Despite a surge in revenue, the PBT decreased by 30% from RM1.90 million in 4Q18 to RM1.33 million in 4Q19. The decline in PBT was due to the lower product mix margin and higher spending on operating expenses. 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 segment's revenue dipped by RM0.36 million or 12% from RM3.03 million in 4Q18 to RM2.67 million in 4Q19. The decline in revenue was mainly attributable to the reduced digital advertising spending from the existing key clients. The lower PBT recorded in 4Q19 was derived from lower product mix margin and higher operating expenses incurred.

In 4Q19, Taiwan segment's revenue dropped by 27% from RM1.43 million in 4Q18 to RM1.04 million in 4Q19. Taiwan segment revenue continued to be affected by the sales team realignment initiative, which is expected to drive better results after the segment realignment issues are fixed. The LBT was reduced from RM0.41 million to RM0.04 in the current period, mainly due to the reduced operating costs.

For 4Q19, South Korea segment's revenue more than doubled at RM0.35 million as compared to RM0.17 million in 4Q18. South Korea segment's revenue continues to benefit from the repeated digital advertising spending contributed from the new clientele awarded in the past quarters. The improved revenue has consequently contributed towards a lower LBT.

Cambodia segment registered a revenue of RM0.60 million in 4Q19, surpassing revenue of RM0.11 million in 4Q18, the improvement in revenue was more than fourfold. The segment has gradually won the recognition and credibility from the local market and continues to benefit from the repeated digital advertising spending from local customers. The segment managed to turnaround from LBT of RM0.04 million to PBT of RM0.06 million, the improvement was in tandem with the increase in revenue.

Myanmar segment in 4Q19 recorded a greater revenue and LBT at RM0.04 million and RM0.03 respectively, compared with revenue of RM0.004 million and LBT of RM1.37 million in 4Q18. The increase in revenue was contributed from a few new customers awarded in the current period. The reduced LBT posted in 4Q19 as compared to 4Q18 was due to the absence of bad debt written off by a default customer.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2019

B2. Commentary on current quarter compared with immediate preceding quarter

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

	Current quarter ended 31.12.2019 RM'000	Immediate preceding quarter ended 30.9.2019 RM'000	% change
Overall performance analysis			
Revenue	30,154	26,096	16%
Profit from operations	2,208	593	>100%
Finance costs	(149)	*	(100%)
Share in loss of equity-accounted associates, net of tax	(328)	(179)	(83%)
Profit before tax	1,731	414	>100%
Profit after tax	1,364	207	>100%
Profit attributable to Owners of the Company	1,041	397	>100%

* represents value below RM1,000.

In 4Q19, the Group's revenue surged by 16% to RM30.2 million from RM26.1 million recorded in the immediate preceding quarter. Generally all of the segments contributed higher revenue in the current quarter except Malaysia, Taiwan and Singapore segments which was in line with the Company cyclical nature of the business whereby advertisers tends to fully spend their advertising budget towards the year end.

The Group reported a PBT of RM1.73 million in the current quarter as compared to a PBT of RM0.41 million in the immediate preceding quarter. The increased PBT was mainly due to the increase in revenue.

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

(a) Prospects for the financial year ending 31 December 2020

Due to the volatility of current economic and foreign exchange situation in the global market, as well as the Coronavirus outbreak that was declared a global health emergency by the World Health Organisation, the Board is cautious in its business outlook in the medium term. However, in the longer term, the Board remains cautiously 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 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. Profit before tax

Profit/(Loss) before tax is arrived at after charging:	Note	Current quarter ended 31.12.2019 RM'000	Comparative quarter ended 31.12.2018 RM'000	Current year-to-date ended 31.12.2019 RM'000	Preceding year-to-date ended 31.12.2018 RM'000
Amortisation of development expenditure	(i)	414	400	1,615	1,597
Allowance for doubtful debts	(i)	(491)	(2,306)	584	200
Bad debts written off	(i)	-	2,670	4	2,670
Depreciation	(i)	1,397	150	1,870	577
Shares granted under Employee Share Scheme	(i)	-	-	149	256
Impairment loss on goodwill	(i)	-	148	-	148
Impairment loss on plant and equipment	(i)	-	59	-	59
Interest expense					
- bank overdraft	(i)	-	-	*	15
- term loans	(i)	-	1	-	8
- lease rental interest	(i)	149	-	149	-
Loss on disposal of plant and equipment	(i)	-	(1)	-	3
Loss on foreign exchange					
- realised		37	(5)	173	239
- unrealised	(i)	28	207	133	374
Property, plant and equipment written off	(i)	-	1	-	2
Retirement benefits	(i)	57	79	150	166
And (crediting):					
Allowance for doubtful debts no longer required	(i)	(177)	(567)	(191)	(924)
Gain on disposal of plant and equipment	(i)	*	1	*	*
Gain on foreign exchange					
- realised		(9)	(244)	(71)	(252)
- unrealised	(i)	71	217	(74)	(86)
Interest income	(i)	(74)	(50)	(310)	(210)
Other income					
- miscellaneous		(235)	(107)	(477)	(359)

(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 2019

B7. Income tax expense

	Current quarter ended 31.12.2019 RM'000	Comparative quarter ended 31.12.2018 RM'000	Current year-to- date ended 31.12.2019 RM'000	Preceding year-to- date ended 31.12.2018 RM'000
In respect of the current year				
Malaysian income tax	(33)	441	190	619
Outside Malaysia	623	608	875	998
Under provision in respect of prior years				
Malaysian income tax	-	-	*	296
Outside Malaysia	(11)	(29)	(60)	(29)
Deferred taxation	(212)	80	(149)	54
	367	1,100	856	1,938

* represents value below RM1,000.

Malaysia and Indonesia segments effective tax rate for the period is higher than the statutory tax rate, this was due to a portion of deferred tax assets arising from certain Malaysian subsidiaries' tax losses are not recognised where it is not probable that taxable profit will be available in the foreseeable future to utilise the tax benefits in Malaysia segment and certain expenses was not tax deductible for the later segment. For Hong Kong and Philippines segments, a tax provision is recorded based on the current year's income tax rate.

B8. Changes in litigation

As at 14 February 2020 (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 HKD3,849,755.55 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 HKD3,849,755.55 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 instalments: -

- (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.

B8. Changes in 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.

B8. Changes in 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.

B8. Changes in 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 December 2019.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2019**B10. Earnings Per Share (“EPS”) attributable to Owners of the Company**

	Current quarter ended 31.12.2019	Comparative quarter ended 31.12.2018	Current year-to-date ended 31.12.2019	Preceding year-to-date ended 31.12.2018
Basic EPS				
Profit attributable to Owners of the Company (RM'000)	1,041	3,889	1,250	1,450
Weighted average number of ordinary shares in issue ('000)	139,036	138,542	139,036	138,542
Basic EPS (sen)	0.75	2.81	0.90	1.05

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 December 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 14 February 2020 (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 21 February 2020.

By Order of the Board

Phang Chee Leong
Executive Chairman

21 February 2020