

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

	As at 31.3.2020 RM'000	As at 31.12.2019 RM'000
<b>Assets:</b>		
<b>Non-current</b>		
Property, plant and equipment	1,648	1,711
Intangible assets	5,173	5,165
Right-of-use assets	2,484	2,526
Investment in associates	729	997
Deferred tax assets	695	724
	<b>10,729</b>	<b>11,123</b>
<b>Current</b>		
Trade receivables	29,722	32,453
Other receivables, deposits and prepayments	4,656	3,578
Tax recoverable	1,118	742
Fixed deposits with licensed banks	4,865	5,545
Cash and bank balances	17,075	20,433
	<b>57,436</b>	<b>62,751</b>
<b>Total Assets</b>	<b>68,165</b>	<b>73,874</b>

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2020 (CONT'D)**

	As at 31.3.2020 RM'000	As at 31.12.2019 RM'000
<b>Liabilities:</b>		
<b>Non-current</b>		
Deferred tax liabilities	418	621
Lease liabilities	931	802
Retirement benefit obligations	595	605
	<u>1,944</u>	<u>2,028</u>
<b>Current</b>		
Bank overdraft	924	994
Trade payables	17,394	18,971
Lease liabilities	938	1,053
Other payables, contract liabilities and accruals	12,072	11,208
Tax payable	48	1,001
	<u>31,376</u>	<u>33,227</u>
<b>Total Liabilities</b>	<u>33,320</u>	<u>35,255</u>
<b>Net Assets</b>	<u>34,845</u>	<u>38,619</u>
<b>Equity:</b>		
Share capital	19,342	19,342
Reserves	13,170	16,290
Equity attributable to Owners of the Company	<u>32,512</u>	<u>35,632</u>
Non-controlling interests	2,333	2,987
<b>Total Equity</b>	<u>34,845</u>	<u>38,619</u>
<b>Net Assets per share attributable to Owners of the Company (sen)</b>	<u>23.38</u>	<u>25.63</u>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2019)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 MARCH 2020**

	Note	Current quarter ended 31.3.2020 RM'000	Comparative quarter ended 31.3.2019 RM'000	Current year-to-date ended 31.3.2020 RM'000	Preceding year-to-date ended 31.3.2019 RM'000
<b>Revenue</b>		<b>21,313</b>	25,220	<b>21,313</b>	25,220
Direct costs		<b>(13,379)</b>	(15,163)	<b>(13,379)</b>	(15,163)
Gross profit		<b>7,934</b>	10,057	<b>7,934</b>	10,057
Other operating income		<b>807</b>	181	<b>807</b>	181
Other operating expenses		<b>(12,789)</b>	(11,335)	<b>(12,789)</b>	(11,335)
Loss from operations		<b>(4,048)</b>	(1,097)	<b>(4,048)</b>	(1,097)
Finance costs		<b>(63)</b>	-	<b>(63)</b>	-
Share of loss in equity-accounted associates, net of tax		<b>(269)</b>	(157)	<b>(269)</b>	(157)
<b>Loss before tax</b>	B6	<b>(4,380)</b>	(1,254)	<b>(4,380)</b>	(1,254)
Taxation	B7	<b>177</b>	92	<b>177</b>	92
<b>Loss after tax</b>		<b>(4,203)</b>	(1,162)	<b>(4,203)</b>	(1,162)
<b>Other Comprehensive Profit/(Loss) for the period, net of tax</b>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation		<b>302</b>	(98)	<b>302</b>	(98)
<b>Total Other Comprehensive Profit/(Loss) for the period, net of tax</b>		<b>302</b>	(98)	<b>302</b>	(98)
<b>Total Comprehensive Loss</b>		<b>(3,901)</b>	(1,260)	<b>(3,901)</b>	(1,260)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 MARCH 2020 (CONT'D)**

	Current quarter ended <b>31.3.2020</b> RM'000	Comparative quarter ended 31.3.2019 RM'000	Current year-to-date ended <b>31.3.2020</b> RM'000	Preceding year-to-date ended 31.3.2019 RM'000
<b>Loss attributable to:</b>				
Owners of the Company	(3,679)	(1,042)	(3,679)	(1,042)
Non-controlling interests	(524)	(120)	(524)	(120)
	<b>(4,203)</b>	(1,162)	<b>(4,203)</b>	(1,162)
<b>Total Comprehensive Loss attributable to:</b>				
Owners of the Company	(3,328)	(1,120)	(3,328)	(1,120)
Non-controlling interests	(573)	(140)	(573)	(140)
	<b>(3,901)</b>	(1,260)	<b>(3,901)</b>	(1,260)
<b>Loss per share attributable to Owners of the Company (sen)</b>				
Basic	(2.65)	(0.75)	(2.65)	(0.75)

(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 2019)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2020**

	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	RM'000
<b>Balance as at 1.1.2020</b>	19,342	(2,512)	20	248	18,534	35,632	2,987	38,619
Loss for the period	-	-	-	-	(3,679)	(3,679)	(524)	(4,203)
Other comprehensive income/(loss)	-	-	351	-	-	351	(49)	302
<b>Total Comprehensive income/(loss)</b>	-	-	351	-	(3,679)	(3,328)	(573)	(3,901)
Disposal and allotment of shares to a non-controlling interest	-	-	2	-	206	208	(81)	127
Total transaction with Owners and changes in ownership interests	-	-	2	-	206	208	(81)	127
<b>Balance as at 31.3.2020</b>	<b>19,342</b>	<b>(2,512)</b>	<b>373</b>	<b>248</b>	<b>15,061</b>	<b>32,512</b>	<b>2,333</b>	<b>34,845</b>
<b>Balance as at 1.1.2019</b>	19,193	(2,512)	(155)	248	17,555	34,329	2,546	36,875
Loss for the period	-	-	-	-	(1,042)	(1,042)	(120)	(1,162)
Other comprehensive loss	-	-	(78)	-	-	(78)	(20)	(98)
<b>Total Comprehensive Loss</b>	-	-	(78)	-	(1,042)	(1,120)	(140)	(1,260)
<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>

(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 2019)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2020**

	Current year-to-date ended 31.3.2020 RM'000	Preceding year-to-date ended 31.3.2019 RM'000
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(4,380)	(1,254)
Adjustments for:		
Non-cash and non-operating items	979	836
Share of loss in equity-accounted associates, net of tax	269	157
Operating loss before working capital changes	<u>(3,132)</u>	(261)
Decrease in trade and other receivables, deposits and prepayments	3,029	1,407
(Decrease)/Increase in trade and other payables, contract liabilities and accruals	<u>(1,726)</u>	986
Cash (used in)/generated from operations	<u>(1,829)</u>	2,132
Income tax paid	<u>(1,368)</u>	(269)
Net cash (used in)/from operating activities	<u>(3,197)</u>	1,863
<b>Cash Flows From Investing Activities</b>		
Expenditure incurred on development expenditure	(441)	(332)
Increase in fixed deposits pledged	(262)	(3)
Interest received	70	60
Purchase of plant and equipment	(72)	(103)
(Advances)/repayments from associates	(319)	225
Subscription of shares and investment in an associate	-	(148)
Disposal and allotment of shares to non-controlling interest	127	-
Net cash used in investing activities	<u>(897)</u>	(301)
<b>Cash Flows From Financing Activities</b>		
Interest paid	(26)	*
Repayment of lease liabilities	(388)	-
Net cash used in financing activities	<u>(414)</u>	-
<b>Net increase in Cash and Cash Equivalents</b>	<b>(4,508)</b>	1,562
Effects of exchange rate changes	277	33
<b>Cash and Cash Equivalents at beginning of period</b>	<b>22,961</b>	21,870
<b>Cash and Cash Equivalents at end of period</b>	<b>18,730</b>	23,465
<b>Cash and Cash Equivalents comprised:</b>		
Bank overdrafts	(924)	-
Cash and bank balances	17,075	19,463
Fixed deposits with licensed banks	4,865	4,961
	<u>21,016</u>	24,424
Less: fixed deposits pledged	<u>(2,286)</u>	(959)
	<b>18,730</b>	23,465

\* 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 2019)

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020**

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 2019 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 2019.

**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 2019 except for the newly-issued MFRS, interpretations and amendments to standards to be applied for the financial periods beginning on or after 1 January 2020:

<u>Title</u>	<u>Effective date</u>
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2022
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impacts of the above standards and amendments.

**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.

## QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020

### **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 2020.

### **A7. Dividends paid**

There were no dividend paid by the Company during the current quarter and current year-to-date ended 31 March 2020.

### **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 2020****A8. Segmental information (Cont'd)**

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

	<b>31 March 2020</b>		<b>31 March 2019</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	3.030	3.017	3.011	3.020
1 Hong Kong Dollar	0.556	0.538	0.520	0.521
1 Chinese Renminbi	0.609	0.599	0.608	0.606
1 US Dollar	4.314	4.179	4.082	4.091
100 Indonesian Rupiah	0.026	0.029	0.029	0.029
100 Thai Baht	-	13.362	-	12.934
100 Philippines Peso	8.480	8.214	7.749	7.811
100 Vietnamese Dong	0.018	0.018	0.018	0.018
100 New Taiwan Dollar	14.257	13.876	13.231	13.269
100 South Korean Won	0.354	0.350	0.359	0.364

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020**
**A8. Segmental information (Cont'd)**

Current year-to-date ended 31 March 2020

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>Revenue</b>												
Revenue from external customers	7,116	2,529	2,125	942	5,603	1,824	326	257	554	37	-	21,313
Inter-segment revenue	796	-	7	-	16	26	-	87	2	-	(934)	-
Total revenue	7,912	2,529	2,132	942	5,619	1,850	326	344	556	37	(934)	21,313
<b>Segment Results</b>												
Results from operating activities	(1,690)	(405)	(50)	(570)	(70)	(410)	(586)	(178)	18	(36)	(71)	(4,048)
Finance costs	(41)	(11)	(24)	(8)	(1)	(3)	(44)	-	(2)	-	71	(63)
Share of loss in equity- accounted associates, net of tax	(91)	(178)	-	-	-	-	-	-	-	-	-	(269)
(Loss)/Profit before tax	(1,822)	(594)	(74)	(578)	(71)	(413)	(630)	(178)	16	(36)	-	(4,380)
Taxation	179	-	-	(2)	-	-	-	-	-	-	-	177
(Loss)/Profit after tax	(1,643)	(594)	(74)	(580)	(71)	(413)	(630)	(178)	16	(36)	-	(4,203)
Non-controlling interests	29	-	14	284	19	21	126	18	-	13	-	524
(Loss)/Profit attributable to Owners of the Company	(1,614)	(594)	(60)	(296)	(52)	(392)	(504)	(160)	16	(23)	-	(3,679)
<b>Assets</b>												
Segment assets	46,707	6,629	5,711	5,243	18,504	12,342	1,738	308	1,458	285	(30,760)	68,165
<b>Liabilities</b>												
Segment liabilities	10,521	2,861	2,355	1,972	5,884	7,256	1,126	420	862	63	-	33,320

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020**
**A8. Segmental information (Cont'd)**

Current year-to-date ended 31 March 2020 (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>Revenue</b>										
Revenue from external customers	838	11,804	3,249	10,396	18	22,209	2,346	73,565	133	9
Inter-segment revenue	-	37	-	31	-	317	3	24,737	1	-
Total revenue	838	11,841	3,249	10,427	18	22,526	2,349	98,302	134	9
<b>Segment Results</b>										
Results from operating activities	(134)	(279)	(1,964)	(177)	44	(4,987)	(4,226)	(50,988)	4	(9)
Finance costs	(3)	(135)	(28)	(2)	-	(37)	(318)	-	(1)	-
Share of loss in an equity- accounted associate, net of tax	(59)	-	-	-	-	-	-	-	-	-
(Loss)/Profit before tax	(196)	(414)	(1,992)	(179)	44	(5,024)	(4,544)	(50,988)	3	(9)
Taxation	-	-	(7)	-	-	(3)	-	-	-	-
(Loss)/Profit after tax	(196)	(414)	(1,999)	(179)	44	(5,027)	(4,544)	(50,988)	3	(9)
Non-controlling interests	-	78	980	36	-	251	909	5,099	-	3
(Loss)/Profit attributable to Owners of the Company	(196)	(336)	(1,019)	(143)	44	(4,776)	(3,635)	(45,889)	3	(6)
<b>Assets</b>										
Segment assets	2,188	31,727	20,166	32,688	541	145,541	12,189	86,974	338	66
<b>Liabilities</b>										
Segment liabilities	1,047	38,667	11,197	10,972	935	93,908	45,242	303,996	387	132

**QUARTERLY REPORT FOR THE FIRST QUARTER 2020**
**A8. Segmental information (Cont'd)**

Preceding year-to-date ended 31 March 2019

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	8,532	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 of profit in 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 2020**
**A8. Segmental information (Cont'd)**
**Preceding 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>Revenue</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>Segment Results</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 of profit in equity-accounted associates, 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>Assets</b>										
Segment assets	2,354	21,378	40,323	30,662	508	124,859	22,797	102,720	132	21
<b>Liabilities</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 FIRST QUARTER ENDED 31 MARCH 2020

### **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 2020.

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

On 7 May 2020, Innity Singapore Pte. Ltd. ("ISPL"), an indirect wholly-owned subsidiary of Innity Corporation Berhad ("ICB") entered into an agreement with FiveStones Limited to fully dispose 245,000 ordinary shares in Fivestones Digital (SEA) Pte. Ltd. ("Fivestones Digital") with sales proceeds of SGD120,000 to FiveStones Limited. The conditions stated in the agreement had been satisfied and the disposal was completed on 31 May 2020.

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

#### **(a) Acquisition of equity interests by non-controlling interest in Myanmar**

Innity Myanmar Co.,Ltd ("Innity Myanmar"), a wholly-owned subsidiary of Innity Sdn Bhd ("ISB"), which is a wholly-owned subsidiary of the company has issued additional 40,000 new ordinary shares. The 31,500 and 8,500 new ordinary shares were subscribed by Myanmar Marketing Research and Development ("MMRD") and ISB respectively via total cash consideration of USD40,000 (or equivalent to RM162,360 at the exchange rate of USD1: RM4.059) 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%.

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 2020 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**

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

	As at 31.3.2020	As at 31.3.2019
Purchase of leasehold shop office		
- Approved but not provided for	420,000	-

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020****A14. Significant related party transactions**

The following were the significant related party transactions: -

	<b>Current year-to-date ended 31.3.2020 RM</b>	Preceding year-to-date ended 31.3.2019 RM
Sales of advertisement space	<b>121,800</b>	646,652
Purchase of advertisement space	<b>234,241</b>	167,089
Purchase of online recruitment services		-
Bookkeeping fees	<b>3,000</b>	3,000
Royalty fees	<b>24,049</b>	28,775
Management fees income	<b><u>141,925</u></b>	<u>28,857</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 2020**
**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 31.3.2020 RM'000</b>	Comparative quarter ended 31.3.2019 RM'000	% change	<b>Current year-to-date ended 31.3.2020 RM'000</b>	Preceding year-to-date ended 31.3.2019 RM'000	% change
<b>Overall performance analysis</b>						
Revenue	<b>21,313</b>	25,220	(15%)	<b>21,313</b>	25,220	(15%)
Loss from operations	<b>(4,048)</b>	(1,097)	> (100%)	<b>(4,048)</b>	(1,097)	> (100%)
Finance costs	<b>(63)</b>	-	(100%)	<b>(63)</b>	-	(100%)
Share of (loss)/profit of equity-accounted associates, net of tax	<b>(269)</b>	(157)	(71%)	<b>(269)</b>	(157)	(71%)
Loss before tax	<b>(4,380)</b>	(1,254)	> (100%)	<b>(4,380)</b>	(1,254)	> (100%)
Loss after tax	<b>(4,203)</b>	(1,162)	> (100%)	<b>(4,203)</b>	(1,162)	> (100%)
Loss attributable to Owners of the Company	<b>(3,679)</b>	(1,042)	> (100%)	<b>(3,679)</b>	(1,042)	> (100%)

Current Year-To-Date (“3M20”) compared with Preceding Year-To-Date (“3M19”)
**(i) Group’s overview of Revenue, Gross Profit and Loss Before Tax**

The Group reported total revenue of RM21.31 million in 3M20 as compared to RM25.22 million in 3M19 , the group's market share of online advertising spending fell RM3.91 million or 15% amid industry slowdown caused by the coronavirus outbreak and the imposition of the partial or total lock down in some of the business units. Majority of the business units recorded a decrease in revenue in 3M20, except for Vietnam, South Korea, Cambodia and Myanmar. The loss before tax ("LBT") incurred was more than three fold compared to 3M19 mainly due to lower revenue generated and higher operating costs incurred in 3M20.

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

In 3M20, other income has increased by RM0.6 million or more than three fold from RM0.18 million in 3M19 to RM0.81 million in 3M20 mainly due to higher foreign exchange gain recorded by the Group.



**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020****B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)**

*Current Year-To-Date ("3M20") compared with Preceding Year-To-Date ("3M19") (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.

Other operating expenses were increased by 13% or RM1.45 million from RM11.34 million in 3M19 to RM12.79 million in 3M20. The increase in operating expenses was mainly due to the higher staff costs and depreciation expenses incurred. The rise in depreciation expenses was due to the adoption of MFRS 16 in 3M20, depreciation in right of use assets which comprises leasehold office was recorded in 3M20 which was absent 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 2020 against 31 March 2019:

	<b>Current year- to-date ended 31 March 2020 <u>RM'000</u></b>	Preceding year- to-date ended 31 March 2019 <u>RM'000</u>
Net cash generated from/(used in)		
- Operating activities	<b>(3,197)</b>	1,863
- Investing activities	<b>(897)</b>	(301)
- Financing activities	<b>(414)</b>	-
- Exchange difference	<b>277</b>	33
Net (Decrease)/increase in cash and cash equivalents	<b><u>(4,231)</u></b>	<u>1,595</u>

The Group has cash and cash equivalents amounting to RM18.73 million as at 31 March 2020 as compared with RM23.47 million as at 31 March 2019. The debts to equity ratio as at 31 March 2020, rose to 0.08 times (3M19 : Nil).

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020**
**B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)**

*Current Quarter ("1Q20") compared with Comparative Quarter of Preceding Year ("1Q19")*

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

	Revenue from external customers			(Loss)/Profit before tax		
	Current quarter ended 31.3.2020 RM'000	Comparative quarter ended 31.3.2019 RM'000	% change	Current quarter ended 31.3.2020 RM'000	Comparative quarter ended 31.3.2019 RM'000	% change
<b>Operating segments</b>						
- Malaysia	<b>7,116</b>	8,532	(17%)	<b>(1,822)</b>	(849)	> (100%)
- Singapore	<b>2,529</b>	3,623	(30%)	<b>(594)</b>	(1)	> (100%)
- Vietnam	<b>2,125</b>	716	> 100%	<b>(74)</b>	(165)	55%
- Indonesia	<b>942</b>	2,267	(58%)	<b>(578)</b>	(149)	> (100%)
- Hong Kong and China	<b>5,603</b>	6,158	(9%)	<b>(71)</b>	72	> (100%)
- Philippines	<b>1,824</b>	2,260	(19%)	<b>(413)</b>	95	> (100%)
- Taiwan	<b>326</b>	1,021	(68%)	<b>(630)</b>	(100)	> (100%)
- South Korea	<b>257</b>	250	3%	<b>(178)</b>	(140)	(27%)
- Cambodia	<b>554</b>	393	41%	<b>16</b>	23	(30%)
- Myanmar	<b>37</b>	-	100%	<b>(36)</b>	(40)	10%
	<b>21,313</b>	<b>25,220</b>	(15%)	<b>(4,380)</b>	<b>(1,254)</b>	> (100%)

Malaysia segment recorded a revenue of RM7.12 million in 1Q20, representing a decrease of 17% or RM1.42 million from revenue of RM8.53 million in 1Q19. The coronavirus outbreak and the imposition of movement control order in 1Q20 has consequently impacted digital advertising spending particularly from the tourism and leisure advertisers. The segment recorded a higher LBT mainly due to the decrease in revenue.

Singapore segment's revenue fell by 30% or RM1.09 million in 1Q20, mainly due to the absent of digital spending from a key advertiser as compared to 1Q19. The drop in revenue has consequently resulted in LBT.

For the 1Q20, Vietnam segment registered a revenue of RM2.13 million and LBT of RM0.07 million compared with RM0.72 million in revenue and LBT of RM0.17 million in 1Q19. The segment had changed their sales strategy in the current period to match the consumer digital advertising spending behaviour. The switch in the sales strategy received an encouraging response from the existing customers and new customers. The lower LBT registered in 1Q20 was in tandem with the higher revenue.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020****B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)***Current Quarter ("1Q20") compared with Comparative Quarter of Preceding Year ("1Q19") (Cont'd)***(i) Group's overview of Operating Segments (cont'd)**

Indonesia segment's posted lower revenue in 1Q20 at RM0.94 million as compared with revenue of RM2.27 million in 1Q19, representing 58% or RM1.33 million lower than 1Q19. The decline in revenue was mainly due to the absent of the recurring advertising spend in the current period by an existing customer. The LBT of RM0.58 million was recorded in 1Q20 as compared with LBT of RM0.15 million in 1Q19. The lower revenue volume coupled with the higher operating costs had led to the increase in LBT.

In 1Q20, Hong Kong segment's revenue had reduced by RM0.56 million or 9% from RM6.2 million in 1Q19 to RM5.6 million and recorded LBT of RM0.07 million in 1Q20 as compared with PBT of RM0.07 million in 1Q19. The segment's revenue and LBT registered a negative improvement amid the disruption caused by the treat of the coronavirus outbreak. In view of the uncertainty surrounding the outbreak, advertisers have been allocating their advertising budget cautiously. 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 1Q20 at RM1.82 million as compared with revenue of RM2.26 million in 1Q19, representing 19% lower than 1Q19. Philippines segment experienced a sharp decline in revenue towards the end of the 1Q20 following the country's lock down imposed during mid-March 2020 to curb the spread of the coronavirus disease. Advertisers have been monitoring their digital advertising spend cautiously in view of the uncertainty surrounding the coronavirus outbreak. For 1Q20, the segment incurred a LBT of RM0.41 million as compared to PBT of RM0.1 million in 1Q19, the LBT was in tandem with the reduction in revenue.

Taiwan segment's revenue dropped by 68% or RM0.7 million from RM1.0 million to RM0.32 million and recorded LBT of RM0.63 million in 1Q20 as compared to LBT of RM0.1 million in 1Q19. The segment is experiencing a transitional period on realigning new sales force with improved product knowledge and sales skills to regain local market share of digital advertising spend. The higher LBT was in tandem with the decline

South Korea segment recorded a marginal improvement in revenue by 3% from RM0.25 million in 1Q19 to RM0.26 million in 1Q20. The slight improvement was mainly attributable to the recurring advertising spend from an existing customer. Despite an increase in revenue, a further loss of RM0.04 million or 27% was registered, from LBT of RM0.14 million in 1Q19 to LBT of RM0.18 million in 1Q20, was mainly due to the increase in staff costs.

During the current quarter, Cambodia segment's revenue rose by RM0.16 million or 41% from RM0.39 million in 1Q19 to RM0.55 million in 1Q20. More structured sales and business development teams were put in place in 1Q20 as compared to 1Q19 to service the existing customers and pitching for new customers, this had subsequently contributed to the surge in revenue. Despite an improvement in revenue, PBT decreased by 30% mainly due to the higher staff costs incurred in the 1Q20. On the other hand, Myanmar business unit managed to secure RM0.04 million revenue from the local market and minimised its LBT by 10% in 1Q20.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020**

**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 31.3.2020 RM'000</b>	Immediate preceding quarter ended 31.12.2019 RM'000	% change
<b>Overall performance analysis</b>			
Revenue	<b>21,313</b>	30,154	(29%)
Loss from operations	<b>(4,048)</b>	2,208	> (100%)
Finance costs	<b>(63)</b>	(149)	58%
Share of loss in equity-accounted associates, net of tax	<b>(269)</b>	(328)	18%
Loss before tax	<b>(4,380)</b>	1,731	> (100%)
Loss after tax	<b>(4,203)</b>	1,364	> (100%)
Loss attributable to Owners of the Company	<b>(3,679)</b>	1,041	> (100%)

Amid the coronavirus outbreak coupled with the usual slower quarter in every first quarter in the calendar year, the Group's revenue and LBT deteriorated by RM8.8 million and RM6.1 million, representing 29% and more than three fold drop in revenue and LBT respectively. Apart from the drop in revenue, LBT was further affected by the lower product margin recorded in 1Q20 as compared to 4Q19.

**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

The Coronavirus outbreak that was declared a global health emergency by the World Health Organisation on 11 March 2020 coupled with the various movement restriction measures imposed by the Governments in the region, had severely affected the group financial performance and group cash flows. The Group is also likely to be impacted by the impairment in financial assets as a results of poor market conditions and business uncertainty. Nevertheless, the management has taken a number of measures including resizing of the business entities to optimise the group performance and will continue to implement any necessary action plans to minimise the group losses and improve the group cash flows to mitigate the adverse impact on the group performance. In view of the above, 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, including SMEs 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

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

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020**
**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**

		<b>Current quarter ended 31.3.2020 RM'000</b>	Comparative quarter ended 31.3.2019 RM'000	<b>Current year-to-date ended 31.3.2020 RM'000</b>	Preceding year-to-date ended 31.3.2019 RM'000
<b>Loss before tax is arrived at after charging:</b>	<b>Note</b>				
Amortisation of development expenditure	(i)	<b>431</b>	400	<b>431</b>	400
Allowance for doubtful debts	(i)	<b>358</b>	217	<b>358</b>	217
Depreciation	(i)	<b>568</b>	146	<b>568</b>	146
Interest expense					
- bank overdraft	(i)	<b>26</b>	*	<b>26</b>	*
- lease rental interest	(i)	<b>37</b>	-	<b>37</b>	-
Loss on foreign exchange					
- realised		<b>20</b>	63	<b>20</b>	63
- unrealised	(i)	<b>143</b>	167	<b>143</b>	167
Retirement benefits	(i)	<b>33</b>	31	<b>33</b>	31
<b>And (crediting):</b>					
Allowance for doubtful debts no longer required	(i)	<b>(25)</b>	(58)	<b>(25)</b>	(58)
Gain on foreign exchange					
- realised		<b>(42)</b>	<b>(31)</b>	<b>(42)</b>	<b>(31)</b>
- unrealised	(i)	<b>(522)</b>	(7)	<b>(522)</b>	(7)
Interest income	(i)	<b>(70)</b>	(60)	<b>(70)</b>	(60)
Other income					
- miscellaneous		<b>(148)</b>	(83)	<b>(148)</b>	(83)

(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 2020**

**B7. Taxation**

	<b>Current quarter ended 31.3.2020 RM'000</b>	Comparative quarter ended 31.3.2019 RM'000	<b>Current year-to- date ended 31.3.2020 RM'000</b>	Preceding year-to- date ended 31.3.2019 RM'000
In respect of the current year				
Malaysian income tax	23	5	23	5
Outside Malaysia	-	-	-	-
(Over)/Under provision in respect of prior years				
Malaysian income tax	-	-	-	-
Outside Malaysia	-	(49)	-	(49)
Deferred taxation	<b>(200)</b>	<b>(48)</b>	<b>(200)</b>	<b>(48)</b>
	<b>(177)</b>	<b>(92)</b>	<b>(177)</b>	<b>(92)</b>

A provision of RM23,000 income tax was recorded by the Malaysia's entities on taxable profit based on the current year income tax rate.

**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 2020**

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

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020**

**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 2020**

**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.

On 9 June 2020, ICCL received a Notice of Adjudication of Proof of Debt dated 3 June 2020 from the Joint and Several Liquidator of the Defendant, KPMG Advisory (Hong Kong) Limited (“the Liquidator”). In the Notice of Adjudication of Proof of Debt, the Liquidator had admitted ICCL’s claim in the sum of HK\$2,849,755.55 in full as unsecured claim against the Defendant.

**B9. Dividends**

There is no dividend declared and paid for the current quarter or the current year-to-date ended 31 March 2020.

**QUARTERLY REPORT FOR FIRST QUARTER ENDED 31 MARCH 2020**

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

	<b>Current quarter ended 31.3.2020</b>	Comparative quarter ended 31.3.2019	<b>Current year-to-date ended 31.3.2020</b>	Preceding year-to-date ended 31.3.2019
<b>Basic LPS</b>				
Loss attributable to Owners of the Company (RM'000)	<b>(3,679)</b>	(1,042)	<b>(3,679)</b>	(1,042)
Weighted average number of ordinary shares in issue ('000)	<b>139,057</b>	138,403	<b>139,057</b>	138,403
<b>Basic LPS (sen)</b>	<b>(2.65)</b>	(0.75)	<b>(2.65)</b>	(0.75)

Diluted loss per share is not computed as the Company does not have any convertible financial instruments as at 31 March 2020.

**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 10 June 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 17 June 2020.

**By Order of the Board**

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

17 June 2020