

QUARTERLY REPORT FOR THE THIRD QUARTER 2020
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

	As at 30.9.2020 RM'000	As at 31.12.2019 RM'000
Assets:		
Non-current assets		
Property, plant and equipment	1,511	1,711
Right-of-use assets	1,966	2,526
Intangible assets	5,066	5,165
Investment in associates	504	997
Deferred tax assets	719	724
	9,766	11,123
Current assets		
Trade receivables	32,849	32,453
Other receivables, deposits, contract assets and prepayments	6,116	3,578
Tax recoverable	871	742
Fixed deposits with licensed banks	2,226	5,545
Cash and bank balances	20,794	20,433
	62,856	62,751
Total Assets	72,622	73,874
Equity:		
Share capital	19,342	19,342
Reserves	12,219	16,290
Equity attributable to Owners of the Company	31,561	35,632
Non-controlling interests	1,800	2,987
Total Equity	33,361	38,619
Liabilities:		
Non-current liabilities		
Deferred tax liabilities	587	621
Lease liabilities	445	802
Retirement benefit obligations	625	605
	1,657	2,028

QUARTERLY REPORT FOR THE THIRD QUARTER 2020**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020 (CONT'D)**

	As at 30.9.2020 RM'000	As at 31.12.2019 RM'000
Current liabilities		
Trade payables	24,215	18,971
Other payables, contract liabilities and accruals	11,340	11,208
Lease liabilities	933	1,053
Bank overdraft	1,066	994
Tax payable	50	1,001
	37,604	33,227
Total Liabilities	39,261	35,255
Total Equity and Liabilities	72,622	73,874
Net Assets per share attributable to Owners of the Company (sen)	22.69	25.63

(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 THIRD QUARTER 2020
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Current quarter ended 30.9.2020 RM'000	Comparative quarter ended 30.9.2019 RM'000	Current year-to-date ended 30.9.2020 RM'000	Preceding year-to-date ended 30.9.2019 RM'000
Revenue	25,350	26,096	69,238	87,036
Direct costs	(15,792)	(14,617)	(44,025)	(53,502)
Gross profit	9,558	11,479	25,213	33,534
Other operating income	648	316	2,654	685
Other operating expenses	(9,389)	(11,202)	(32,797)	(33,256)
Profit/(loss) from operations	817	593	(4,930)	963
Finance costs	(36)	*	(154)	*
Share of loss in equity-accounted associates, net of tax	(66)	(179)	(394)	(445)
Profit/(loss) before tax	715	414	(5,478)	518
Taxation	(245)	(207)	(145)	(489)
Profit/(loss) after tax	470	207	(5,623)	29

Other Comprehensive (Loss)/Income for the period, net of tax

*Item that may be reclassified subsequently
to profit or loss:*

Foreign currency translation	(376)	47	119	316
Total Other Comprehensive (Loss)/Income for the period, net of tax	(376)	47	119	316
Total Comprehensive Income/(Loss)	94	254	(5,504)	345

* represents value below RM1,000.

QUARTERLY REPORT FOR THE THIRD QUARTER 2020
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020 (CONT'D)**

	Current quarter ended 30.9.2020 RM'000	Comparative quarter ended 30.9.2019 RM'000	Current year-to-date ended 30.9.2020 RM'000	Preceding year-to-date ended 30.9.2019 RM'000
Profit/(loss) attributable to:				
Owners of the Company	581	397	(4,641)	209
Non-controlling interests	(111)	(190)	(982)	(180)
	470	207	(5,623)	29
Total Comprehensive Income/(Loss) attributable to:				
Owners of the Company	316	424	(4,470)	445
Non-controlling interests	(222)	(170)	(1,034)	(100)
	94	254	(5,504)	345
Profit/(loss) per share attributable to Owners of the Company (sen)				
Basic	0.42	0.29	(3.34)	0.15

(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 THIRD QUARTER 2020
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Note	Current year-to-date ended 30.9.2020 RM'000	Preceding year-to-date ended 30.9.2019 RM'000
Cash Flows From Operating Activities			
(Loss)/profit before tax		(5,478)	518
Adjustments for:			
Non-cash and non-operating items	B6(i)	2,473	2,701
Addition of lease		(18)	-
Share-based payment		119	-
Share of loss in equity-accounted associates, net of tax		394	445
Operating (loss)/profit before working capital changes		<u>(2,510)</u>	3,664
(Increase)/decrease in trade and other receivables, deposits and prepayments		(2,383)	1,966
Increase in trade and other payables, contract liabilities and accruals		5,012	1,268
Cash generated from operations		<u>119</u>	6,898
Income tax paid		(1,428)	(910)
Income tax refunded		130	
Retirement benefit paid		(61)	-
Net cash (used in)/from operating activities		<u>(1,240)</u>	5,988
Cash Flows From Investing Activities			
Expenditure incurred on development expenditure		(1,194)	(1,321)
Decrease/(increase) in fixed deposits pledged		65	(1,028)
Interest received		162	236
Purchase of plant and equipment		(227)	(435)
Advances to associates		(71)	(428)
Proceeds from disposal of associate		367	-
Subscription of shares and investment in an associate		-	(758)
Disposal and allotment of shares to non-controlling interest		127	-
Net cash used in investing activities		<u>(771)</u>	(3,734)
Cash Flows From Financing Activities			
Interest paid		(49)	*
Repayment of lease liabilities		(1,021)	-
Net cash used in financing activities		<u>(1,070)</u>	*
Net (decrease)/increase in Cash and Cash Equivalents		(3,081)	2,254
Effects of exchange rate changes		116	377
Cash and Cash Equivalents at beginning of period		22,961	21,870
Cash and Cash Equivalents at end of period		19,996	24,501

QUARTERLY REPORT FOR THE THIRD QUARTER 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020 (CONT'D)**

	Note	Current year-to-date ended 30.9.2020 RM'000	Preceding year-to-date ended 30.9.2019 RM'000
Cash and Cash Equivalents comprised:			
Bank overdrafts		(1,066)	-
Cash and bank balances		20,794	20,668
Fixed deposits with licensed banks		2,226	5,816
		21,954	26,484
Less: fixed deposits pledged		(1,958)	(1,983)
		19,996	24,501

* represents value below RM1,000.

QUARTERLY REPORT FOR THE THIRD QUARTER 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	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	RM'000	RM'000	RM'000
Balance as at 1.1.2020	19,342	(2,512)	20	248	18,534	35,632	2,987	38,619
Loss for the period	-	-	-	-	(4,641)	(4,641)	(982)	(5,623)
Other comprehensive income/(loss)	-	-	171	-	-	171	(52)	119
Total Comprehensive Income/(Loss)	-	-	171	-	(4,641)	(4,470)	(1,034)	(5,504)
Share-based payment	-	-	-	-	-	-	119	119
Disposal and allotment of shares to a non-controlling interest	-	-	9	-	390	399	(272)	127
Total transaction with Owners and changes in ownership interests	-	-	9	-	390	399	(153)	246
Balance as at 30.9.2020	19,342	(2,512)	200	248	14,283	31,561	1,800	33,361
Balance as at 1.1.2019	19,193	(2,512)	(155)	248	17,555	34,329	2,546	36,875
Profit/(loss) for the period	-	-	-	-	209	209	(180)	29
Other comprehensive income	-	-	236	-	-	236	80	316
Total Comprehensive Income/(Loss)	-	-	236	-	209	445	(100)	345
Issuance of ordinary shares pursuant to ESS	149	-	-	-	-	149	-	149
Total transaction with Owners and changes in ownership interests	149	-	-	-	-	149	-	149
Balance as at 30.9.2019	19,342	(2,512)	81	248	17,764	34,923	2,446	37,369

(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 THIRD QUARTER ENDED 30 SEPTEMBER 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:

a) New MFRSs adopted during the financial year

The Group adopted the following Amendments to the Standards effective from the current quarter 2020, that are mandatory for annual periods beginning on or after 1 January 2020.

<u>Title</u>	<u>Effective date</u>
Amendments to <i>References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to MFRS 16 <i>Covid 19 Related Rent Concessions</i>	1 June 2020

The adoption of the above Standards did not have any material effect on the financial performance or position of the Group and the Company.

b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

The following are the Standards of the MFRSs Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been early adopted by the Group and the Company.

Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform Phase 2</i>	1 January 2021
Annual improvement to MFRS Standards 2018 -2020	1 January 2022
Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent assets</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment</i>	1 January 2022
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are still in the process of assessing the impact of the above standard and amendments since the effects would be observable in the future financial years.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020

A3. Seasonality or cyclicalities 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

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 30 September 2020.

A7. Dividends paid

There were no dividend paid by the Company during the current quarter and current year-to-date ended 30 September 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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020
A8. Segmental information (Cont'd)

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.

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

	30 September 2020		30 September 2019	
	Closing rate	Average rate	Closing rate	Average rate
	RM	RM	RM	RM
1 Singapore Dollar	3.040	3.045	3.030	3.030
1 Hong Kong Dollar	0.536	0.546	0.534	0.528
1 Chinese Renminbi	0.611	0.605	0.587	0.603
1 US Dollar	4.158	4.234	4.188	4.135
100 Indonesian Rupiah	0.028	0.029	0.030	0.029
100 Thai Baht	-	13.430	-	13.210
100 Philippines Peso	8.577	8.458	8.081	7.945
100 Vietnamese Dong	0.018	0.018	0.018	0.018
100 New Taiwan Dollar	14.354	14.218	13.489	13.318
100 South Korean Won	0.356	0.353	0.349	0.356

QUARTERLY REPORT FOR THE THIRD QUARTER 2020

A8. Segmental information (Cont'd)

Current year-to-date ended 30 September 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
Revenue												
Revenue from external customers	23,984	8,451	9,720	2,639	13,537	5,202	2,594	694	2,299	118	-	69,238
Inter-segment revenue	2,969	32	7	38	19	191	52	87	49	-	(3,444)	-
Total revenue	26,953	8,483	9,727	2,677	13,556	5,393	2,646	781	2,348	118	(3,444)	69,238
Segment Results												
Results from operating activities	(1,528)	(96)	(148)	(1,103)	185	(692)	(768)	(348)	(49)	(198)	(185)	(4,930)
Finance costs	(92)	(29)	(60)	(17)	(1)	(7)	(101)	(6)	(19)	(7)	185	(154)
Share of loss in equity- accounted associates, net of tax	(146)	(248)	-	-	-	-	-	-	-	-	-	(394)
(Loss)/Profit before tax	(1,766)	(373)	(208)	(1,120)	184	(699)	(869)	(354)	(68)	(205)	-	(5,478)
Taxation	(103)	-	-	(3)	-	(1)	-	-	(38)	-	-	(145)
(Loss)/Profit after tax	(1,869)	(373)	(208)	(1,123)	184	(700)	(869)	(354)	(106)	(205)	-	(5,623)
Non-controlling interests	70	-	40	550	7	35	174	34	-	72	-	982
(Loss)/Profit attributable to Owners of the Company	(1,799)	(373)	(168)	(573)	191	(665)	(695)	(320)	(106)	(133)	-	(4,641)
Assets												
Segment assets	45,753	7,208	10,123	4,904	17,844	11,585	1,733	132	2,087	250	(28,997)	72,622
Liabilities												
Segment liabilities	13,606	3,506	5,459	2,064	5,292	6,477	1,327	193	1,250	87	-	39,261

QUARTERLY REPORT FOR THE THIRD QUARTER 2020

A8. Segmental information (Cont'd)

Current year-to-date ended 30 September 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
<u>Revenue</u>										
Revenue from external customers	2,775	53,998	9,101	24,774	18	61,504	18,242	196,645	543	28
Inter-segment revenue	11	37	131	35	-	2,263	363	24,697	11	-
Total revenue	2,786	54,035	9,232	24,809	18	63,767	18,605	221,342	554	28
<u>Segment Results</u>										
Results from operating activities	(32)	(822)	(3,804)	327	11	(8,178)	(5,404)	(98,583)	(12)	(47)
Finance costs	(10)	(335)	(57)	(2)	-	(88)	(710)	(1,702)	(4)	(1)
Share of loss in an equity- accounted associate, net of tax	(81)	-	-	-	-	-	-	-	-	-
(Loss)/Profit before tax	(123)	(1,157)	(3,861)	325	11	(8,266)	(6,114)	(100,285)	(16)	(48)
Taxation	-	-	(9)	-	-	(18)	-	-	(9)	-
(Loss)/Profit after tax	(123)	(1,157)	(3,870)	325	11	(8,284)	(6,114)	(100,285)	(25)	(48)
Non-controlling interests	-	221	1,896	12	-	414	1,223	10,028	-	17
(Loss)/Profit attributable to Owners of the Company	(123)	(936)	(1,974)	337	11	(7,870)	(4,891)	(90,257)	(25)	(31)
<u>Assets</u>										
Segment assets	2,371	56,240	17,516	32,688	529	135,070	12,074	37,196	502	60
<u>Liabilities</u>										
Segment liabilities	1,226	63,784	10,606	10,834	931	86,693	46,722	270,128	565	165

QUARTERLY REPORT FOR THE THIRD QUARTER 2020

A8. Segmental information (Cont'd)

Preceding year-to-date ended 30 September 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
<u>Revenue</u>												
Revenue from external customers	29,759	10,246	2,184	12,272	20,449	7,211	3,443	641	827	4	-	87,036
Inter-segment revenue	2,441	173	84	127	34	115	144	57	*	-	(3,175)	-
Total revenue	32,200	10,419	2,268	12,399	20,483	7,326	3,587	698	827	4	(3,175)	87,036
<u>Segment Results</u>												
Results from operating activities	419	486	(632)	(503)	1,722	534	(85)	(495)	(89)	(195)	(199)	963
Finance costs	(10)	(16)	(61)	(8)	-	(9)	(95)	-	-	-	199	-
Share of loss in equity- accounted associates, net of tax	(231)	(214)	-	-	-	-	-	-	-	-	-	(445)
Profit/(Loss) before tax	178	256	(693)	(511)	1,722	525	(180)	(495)	(89)	(195)	-	518
Taxation	(285)	-	-	23	(199)	(28)	-	-	-	-	-	(489)
(Loss)/Profit after tax	(107)	256	(693)	(488)	1,523	497	(180)	(495)	(89)	(195)	-	29
Non-controlling interests	52	-	141	239	(312)	(25)	36	49	-	-	-	180
(Loss)/Profit attributable to Owners of the Company	(55)	256	(552)	(249)	1,211	472	(144)	(446)	(89)	(195)	-	209
<u>Assets</u>												
Segment assets	56,205	8,231	3,588	8,846	20,360	10,916	2,779	394	670	89	(38,363)	73,715
<u>Liabilities</u>												
Segment liabilities	17,076	4,100	4,890	5,251	10,026	6,996	6,575	907	955	462	(20,892)	36,346

* represents value below RM1,000.

QUARTERLY REPORT FOR THE THIRD QUARTER 2020

A8. Segmental information (Cont'd)

Preceding year-to-date ended 30 September 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	3,381	12,135	42,316	38,729	-	90,767	25,851	180,068	200	1
Inter-segment revenue	57	466	439	65	-	1,445	1,081	16,138	*	-
Total revenue	3,438	12,601	42,755	38,794	-	92,212	26,932	196,206	200	1
<u>Segment Results</u>										
Results from operating activities	160	(3,513)	(1,733)	3,332	(57)	6,724	(639)	(139,039)	(22)	(47)
Finance costs	(5)	(337)	(27)	-	-	(114)	(712)	-	-	-
Share of loss in equity-accounted associates, net of tax	(71)	-	-	-	-	-	-	-	-	-
Profit/(Loss) before tax	84	(3,850)	(1,760)	3,332	(57)	6,610	(1,351)	(139,039)	(22)	(47)
Taxation	-	-	81	(376)	-	(350)	-	-	-	-
Profit/(Loss) after tax	84	(3,850)	(1,679)	2,956	(57)	6,260	(1,351)	(139,039)	(22)	(47)
Non-controlling interests	-	777	823	(591)	-	(313)	270	13,904	-	-
Profit/(Loss) attributable to Owners of the Company	84	(3,073)	(856)	2,365	(57)	5,947	(1,081)	(125,135)	(22)	(47)
<u>Assets</u>										
Segment assets	2,717	19,935	29,488	37,553	522	135,086	20,601	112,855	160	21
<u>Liabilities</u>										
Segment liabilities	1,354	27,165	17,504	17,721	959	86,571	48,740	259,848	228	110

* represents value below RM1,000.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2020.

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

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

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

(a) Acquisition of equity interests by non-controlling interest in 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%.

(b) Disposal of equity interests in associate

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 ("Fivestones Ltd") to fully dispose 245,000 ordinary shares in Fivestones Digital (SEA) Pte. Ltd.("Fivestones Digital") with sales proceeds of SGD120,000 to FiveStones Ltd. The conditions stated in the agreement had been satisfied and the disposal was completed on 31 May 2020.

(c) Acquisition of equity interests by non-controlling interest in Korea through share-based payment

On 6 August 2020, Innity Korea Co., Ltd. ("Innity Korea"), a 90% direct-owned subsidiary of Innity Sdn Bhd. ("ISB"), which is also an indirect-owned subsidiary of the Company, issued additional 6,765 new ordinary shares with total cash consideration of KRW33,825,000 (or equivalent to RM119,538 at the exchange rate of KRW1:RM0.003534). The new issuance were subscribed by Mr. Lee Kyoung Min and Mr.Lee Tae Jong respectively.

Upon the completion of the subscription, the Company's effective equity interest in the shares of Innity Korea is diluted from 90% to 79.87%.

Saved as disclosed above, there were no changes in the composition of the Group in the current quarter and current year-to-date ended 30 September 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.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020

A13. Significant unrecognised contractual commitments

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

	As at 30.9.2020	As at 30.9.2019
Purchase of leasehold shop office - Approved but not provided for	357,000	-

A14. Significant related party transactions

The following were the significant related party transactions: -

	Current year-to-date ended 30.9.2020 <u>RM</u>	Preceding year-to-date ended 30.9.2019 <u>RM</u>
Sales of advertisement space	666,132	1,246,169
Purchase of advertisement space	644,128	617,620
Purchase of online recruitment services	-	3,063
Bookkeeping fees	9,000	9,000
Royalty fees	180,642	93,272
Management fees	353,458	240,386

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 THIRD QUARTER ENDED 30 SEPTEMBER 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:

	Current quarter ended 30.9.2020 RM'000	Comparative quarter ended 30.9.2019 RM'000	% change	Current year-to-date ended 30.9.2020 RM'000	Preceding year-to-date ended 30.9.2019 RM'000	% change
Overall performance analysis						
Revenue	25,350	26,096	(3%)	69,238	87,036	(20%)
Profit/(loss) from operations	817	593	38%	(4,930)	963	> (100%)
Finance costs	(36)	*	(100%)	(154)	*	(100%)
Share of loss of equity-accounted associates, net of tax	(66)	(179)	63%	(394)	(445)	11%
Profit/(loss) before tax	715	414	73%	(5,478)	518	> (100%)
Profit/(loss) after tax	470	207	>100%	(5,623)	29	> (100%)
Profit/(loss) attributable to Owners of the Company	581	397	46%	(4,641)	209	> (100%)

* represents value below RM1,000.

Current Year-To-Date (“9M20”) compared with Preceding Year-To-Date (“9M19”)
(i) Group’s overview of Revenue, Gross Profit and Loss Before Tax

In 9M20, The Group reported total revenue of RM69.24 million, representing a decrease of RM17.80 million or 20% in revenue as compared with RM87.04 million recorded in 9M19. The drop in revenue was impacted by the unprecedented coronavirus outbreak which was rapidly spread across the globe since beginning of the year 2020. Amid the coronavirus outbreak, majority of the business units recorded a decrease in revenue in 9M20, except for Korea, Vietnam, Cambodia and Myanmar. The Loss Before Tax (“LBT”) was in tandem with the reduction in revenue.

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

In 9M20, other income has increased by RM1.96 million or more than three fold from RM0.69 million in 9M19 to RM2.65 million in 9M20. The increase in other income was mainly attributable to Coronavirus Support Grant granted by Singapore, Hong Kong and Taiwan business units Government couple with gain on the disposal of shareholdings in Fivestones Digital.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020
B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)

Current Year-To-Date ("9M20") compared with Preceding Year-To-Date ("9M19") (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 was marginally decrease by 1% or RM0.46 million from RM33.26 million in 9M19 to RM32.80 million in 9M20.

(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 30 September 2020 against 30 September 2019:

	Current year- to-date ended 30 September 2020	Preceding year- to-date ended 30 September 2019
	<u>RM'000</u>	<u>RM'000</u>
Net cash (used in)/generated from		
- Operating activities	(1,240)	5,988
- Investing activities	(771)	(3,734)
- Financing activities	(1,070)	*
- Exchange difference	116	377
Net (decrease)/increase in cash and cash equivalents	<u>(2,965)</u>	<u>2,631</u>

* represents value below RM1,000.

The Group has cash and cash equivalents amounting to RM20.00 million as at 30 September 2020 as compared with RM24.50 million as at 30 September 2019. The debts to equity ratio as at 30 September 2020, rose to 0.08 times (9M19:Nil).

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020**B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)**

Current Quarter ("3Q20") compared with Comparative Quarter of Preceding Year ("3Q19")

(i) Group's overview of Operating Segments

	Revenue from external customers			(Loss)/Profit before tax		
	Current quarter ended 30.9.2020 RM'000	Comparative quarter ended 30.9.2019 RM'000	% change	Current quarter ended 30.9.2020 RM'000	Comparative quarter ended 30.9.2019 RM'000	% change
Operating segments						
- Malaysia	9,908	9,643	3%	405	262	55%
- Singapore	3,219	3,533	(9%)	247	338	(27%)
- Vietnam	2,971	566	> 100%	(318)	(449)	29%
- Indonesia	858	878	(2%)	(124)	(506)	75%
- Hong Kong and China	3,799	7,266	(48%)	212	1,056	(80%)
- Philippines	2,109	2,382	(11%)	520	(36)	> 100%
- Taiwan	1,298	1,346	(4%)	(123)	63	> (100%)
- South Korea	160	182	(12%)	62	(190)	> 100%
- Cambodia	962	296	> 100%	(125)	(37)	> (100%)
- Myanmar	66	4	> 100%	(41)	(87)	53%
	25,350	26,096	(3%)	715	414	73%

Malaysia's segment business was gradually resumed activities in mid of June 2020 after the country enter into the Recovery Movement Control Order imposed by the Malaysia Government to curb the spread of coronavirus. Total advertising spending has increased by 3% or RM0.27 million from RM9.64 million in 3Q19 as compared to RM9.91 million in 3Q20. The increase in PBT of 55% or RM0.14 million to RM0.41 million from RM0.26 million in 3Q19 is consistent with the increase in revenue in 3Q20.

Singapore segment's revenue fell by 9% or RM0.31 million to a total of RM3.22 million in 3Q20 from RM3.53 million in 3Q19. Despite the relaxed coronavirus lockdown restrictions starting early of June 2020, the segment's revenue has yet to return to its optimum level amidst the uncertainty posted by the coronavirus pandemic. The PBT decreased by 27% or RM0.09 million in 3Q20 as compared to 3Q19 which is aligned with the lower revenue achieved.

In the current period, Vietnam segment registered a revenue of RM2.97 million and LBT of RM0.32 million in 3Q20 as compared to RM0.57 million in revenue and LBT of RM0.45 million in 3Q19. The surged in revenue was contributed from repeated advertising spending from a major client and additional advertising spending awarded from new customers. The lower LBT was in line with the greater revenue achieved.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020**B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)***Current Quarter ("3Q20") compared with Comparative Quarter of Preceding Year ("3Q19") (Cont'd)***(i) Group's overview of Operating Segments (cont'd)**

Indonesia segment's revenue declined slightly to RM0.86 million in 3Q20 from RM0.88 million in 3Q19, representing a 2% or RM0.02 million lower than 3Q19. Lower LBT of RM0.12 million was recorded in 3Q20 as compared to RM0.51 million posted in 3Q19. Nevertheless, the segment has reduced costs to allow the business to perform at a functional level.

Hong Kong segment's continues to be impacted by the resurgence of local coronavirus outbreak and abrupt relapse of global economic activities which has consequently leads advertisers' spending to shrink. Revenue and PBT decreased by RM3.47 million or 48% and RM0.84 million or 80% respectively. 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 3Q20 at RM2.11 million as compared with revenue of RM2.38 million in 3Q19, representing 11% or RM0.27 million decrease in revenue. The segment continue affected by the unprecedented coronavirus pandemic, advertisers adopted a more cautious spending behavior utilising their advertising budget. Despite a decline in revenue, 3Q20 was turnaround from LBT of RM0.04 million in 3Q19 to a PBT of RM0.52 million in 3Q20, the turnaround results was attributable to the tremendous improvement on collection which has subsequently reverse of allowance on doubtful debts provided in prior quarter.

For 3Q20, Taiwan segment's revenue decrease slightly by 4% or RM0.05 million to RM1.30 million from RM1.35 million in 3Q19. Although the year on year revenue comparison in 3Q20 against 3Q19 has dropped, the revenue has improved when comparing to the immediate preceding quarter. The segment has incurred a LBT of RM0.12 million in 3Q20 as compared to PBT of RM0.06 million in 3Q19 due to higher operating cost incurred in 3Q20.

South Korea segment registered a lower revenue in 3Q20 at RM0.16 million as compared with revenue of RM0.18 million in 3Q19, representing 12% lower than 3Q19. Nevertheless the segment has recorded PBT of RM0.06 million in 3Q20 as compared to LBT of RM0.19 million in 3Q19. The encouraging performance was contributed from the change of business strategy implemented in the quarter.

For the current period under review, Cambodia segment's revenue rose by RM0.66 million or more than three fold from RM0.30 million in 3Q19 to RM0.96 million in 3Q20. The segment continues to receive repeated orders from existing clientele and additional sales from new clientele. Despite increased revenue in 3Q20, the LBT has increased RM0.09 million to RM0.13 million in 3Q20 from RM0.04 million in 3Q19 due to higher other operating expenses incurred.

Myanmar segment has gradually won the local market recognition and recorded a revenue of RM0.07 million in 3Q20. The improved LBT of RM0.04 million from RM0.09 million was in tandem with the increase in revenue.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020
B2. Commentary on current quarter compared with immediate preceding quarter

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

	Current quarter ended 30.9.2020 RM'000	Immediate preceding quarter ended 30.6.2020 RM'000	% change
Overall performance analysis			
Revenue	25,350	22,575	12%
Profit/(loss) from operations	817	(1,699)	> 100%
Finance costs	(36)	(55)	35%
Share of loss in equity-accounted associates, net of tax	(66)	(59)	(12%)
Profit/(loss) before tax	715	(1,813)	> 100%
Profit/(loss) after tax	470	(1,890)	>100%
Profit/(loss) attributable to Owners of the Company	581	(1,543)	>100%

For the third quarter ended 30 September 2020, the group's revenue rose by RM2.78 million or 12% from RM22.58 million in 2Q20 to RM25.35 million in 3Q20. The group experienced growing sales momentum after the coronavirus pandemic post-lockdown mainly in a few segments namely Malaysia, Singapore and Philippines as compared against the immediate preceding quarter.

In 3Q20, the group managed to turnaround from LBT of RM1.81 million in 2Q20 to a PBT of RM0.72 million. The positive performance was in tandem with 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

The Coronavirus Outbreak that was declared a global health emergency by the World Health Organisation in the previous quarter 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 result of poor market conditions and business uncertainty. Nevertheless, the management has taken a number of measures including resizing of the business entities to optimising 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 announced

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

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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. Profit/(loss) before tax

		Current quarter ended 30.9.2020 RM'000	Comparative quarter ended 30.9.2019 RM'000	Current year-to-date ended 30.9.2020 RM'000	Preceding year-to-date ended 30.9.2019 RM'000
Loss before tax is arrived at after charging:	Note				
Amortisation of development expenditure	(i)	431	401	1,292	1,201
Allowance for doubtful debts	(i)	(412)	727	208	1,075
Depreciation	(i)	372	161	1,478	473
Share-based payment		119	-	119	-
Shares granted under ESS	(i)	-	-	-	149
Interest expense					
- bank overdraft	(i)	6	*	49	*
- lease rental interest	(i)	30	-	105	-
Loss on foreign exchange					
- realised		17	62	47	136
- unrealised	(i)	64	(38)	76	105
Retirement benefits	(i)	97	31	97	93
And (crediting):					
Allowance for doubtful debts no longer required	(i)	6	(5)	6	(14)
Gain on disposal of investment	(i)	-	-	(280)	-
Gain on foreign exchange					
- realised		(8)	(9)	(41)	(61)
- unrealised	(i)	203	(145)	(396)	(145)
Interest income	(i)	(40)	(64)	(162)	(236)
Other income					
- miscellaneous		(809)	(98)	(1,781)	(243)

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

* represents value below RM1,000.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020**B7. Taxation**

	Current quarter ended 30.9.2020 RM'000	Comparative quarter ended 30.9.2019 RM'000	Current year-to- date ended 30.9.2020 RM'000	Preceding year-to- date ended 30.9.2019 RM'000
In respect of the current year				
Malaysian income tax	118	81	137	224
Outside Malaysia	8	166	23	251
Under/(over) provision in respect of prior years				
Malaysian income tax	-	-	-	-
Outside Malaysia	-	-	16	(49)
Deferred taxation	119	(40)	(31)	63
	245	207	145	489

Malaysia segment's subsidiaries were subject to tax provision on taxable profit based on the current year income tax rate. Cambodia segment subject to a minimum income tax rate of 1% on monthly turnover.

B8. Changes in material litigation

As at 17 November 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 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 Summon, had on 29 November 2017, via its solicitors, Messrs. K&L Gates, filed an application for an Order in the High Court of the Hong Kong Special Administrative Region that the Defendant’s obligation to file and serve its Defence to Counterclaim (if any) be extended for 28 days from the date of the order to be made.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2020.

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2020
B10. Earnings Per Share (“EPS”)/(Loss) Per Share (“LPS”) attributable to Owners of the Company

	Current quarter ended 30.9.2020	Comparative quarter ended 30.9.2019	Current year-to-date ended 30.9.2020	Preceding year-to-date ended 30.9.2019
Basic EPS/(LPS)				
Profit/(loss) attributable to Owners of the Company (RM'000)	581	397	(4,641)	209
Weighted average number of ordinary shares in issue ('000)	139,103	138,907	139,103	138,907
Basic EPS/(LPS) (sen)	0.42	0.29	(3.34)	0.15

Diluted earnings/(loss) per share is not computed as the Company does not have any convertible financial instruments as at 30 September 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 17 November 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 24 November 2020.

By Order of the Board

Phang Chee Leong
Executive Chairman

24 November 2020