

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

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
<b>Assets:</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,445	1,711
Right-of-use assets	2,718	2,526
Intangible assets	5,011	5,165
Investment in associates	508	997
Deferred tax assets	918	724
	<b>10,600</b>	<b>11,123</b>
<b>Current assets</b>		
Trade receivables	37,148	32,453
Other receivables, deposits, contract assets and prepayments	6,611	3,578
Tax recoverable	730	742
Fixed deposits with licensed banks	2,254	5,545
Cash and bank balances	19,074	20,433
	<b>65,817</b>	<b>62,751</b>
<b>Total Assets</b>	<b>76,417</b>	<b>73,874</b>
<b>Equity:</b>		
Share capital	19,342	19,342
Reserves	15,903	16,290
Equity attributable to Owners of the Company	35,245	35,632
Non-controlling interests	1,730	2,987
<b>Total Equity</b>	<b>36,975</b>	<b>38,619</b>
<b>Liabilities:</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	812	621
Lease liabilities	504	802
Loan and borrowing	337	-
Retirement benefit obligations	689	605
	<b>2,342</b>	<b>2,028</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020 (CONT'D)**

	<b>As at 31.12.2020 RM'000</b>	<b>As at 31.12.2019 RM'000</b>
<b>Current liabilities</b>		
Trade payables	<b>24,690</b>	18,971
Other payables, contract liabilities and accruals	<b>9,686</b>	11,208
Lease liabilities	<b>1,248</b>	1,053
Loan and borrowings	<b>1,312</b>	994
Tax payable	<b>164</b>	1,001
	<b><u>37,100</u></b>	<u>33,227</u>
<b>Total Liabilities</b>	<b><u>39,442</u></b>	<u>35,255</u>
<b>Total Equity and Liabilities</b>	<b><u>76,417</u></b>	<u>73,874</u>
<b>Net Assets per share attributable to Owners of the Company (sen)</b>	<b><u>25.34</u></b>	<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 FOURTH QUARTER 2020**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 DECEMBER 2020**

		<b>Current quarter ended</b>	Comparative quarter ended	<b>Current year-to-date ended</b>	Preceding year-to-date ended
	Note	<b>31.12.2020</b>	31.12.2019	<b>31.12.2020</b>	31.12.2019
		<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Revenue</b>		<b>33,794</b>	30,154	<b>103,032</b>	117,190
Direct costs		<b>(16,799)</b>	(15,985)	<b>(60,824)</b>	(69,487)
Gross profit		<b>16,995</b>	14,169	<b>42,208</b>	47,703
Other operating income		777	246	<b>3,431</b>	931
Other operating expenses		<b>(12,459)</b>	(12,207)	<b>(45,256)</b>	(45,463)
Profit from operations		<b>5,313</b>	2,208	<b>383</b>	3,171
Finance costs		<b>(72)</b>	(149)	<b>(226)</b>	(149)
Share of loss in equity-accounted associates, net of tax		7	(328)	<b>(387)</b>	(773)
<b>Profit/(loss) before tax</b>	B6	<b>5,248</b>	1,731	<b>(230)</b>	2,249
Taxation	B7	<b>(949)</b>	(367)	<b>(1,094)</b>	(856)
<b>Profit/(loss) after tax</b>		<b>4,299</b>	1,364	<b>(1,324)</b>	1,393

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

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

Foreign currency translation

(399)                      (103)                      (280)                      213

Share of other comprehensive income of equity -  
accounted associates

(248)                      -                      (248)                      -

*Item that will not be reclassified subsequently  
to profit or loss:*

Remeasurement of retirement benefit obligations

(37)                      (11)                      (37)                      (11)

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

**(684)                      (114)                      (565)                      202**

**Total Comprehensive Income/(Loss)**

**3,615                      1,250                      (1,889)                      1,595**

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2020**

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

	<b>Current quarter ended 31.12.2020 RM'000</b>	<b>Comparative quarter ended 31.12.2019 RM'000</b>	<b>Current year-to-date ended 31.12.2020 RM'000</b>	<b>Preceding year-to-date ended 31.12.2019 RM'000</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the Company	4,312	1,041	(329)	1,250
Non-controlling interests	(13)	323	(995)	143
	<b>4,299</b>	<b>1,364</b>	<b>(1,324)</b>	<b>1,393</b>
<b>Total Comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	3,684	970	(786)	1,415
Non-controlling interests	(69)	280	(1,103)	180
	<b>3,615</b>	<b>1,250</b>	<b>(1,889)</b>	<b>1,595</b>
<b>Profit/(loss) per share attributable to Owners of the Company (sen)</b>				
Basic	3.10	0.75	(0.24)	0.90

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

	Current year-to-date ended 31.12.2020 RM'000	Preceding year-to-date ended 31.12.2019 RM'000
<b>Cash Flows From Operating Activities</b>		
(Loss)/profit before tax	(230)	2,249
Adjustments for:		
Non-cash and non-operating items	3,973	4,082
Addition of lease	(437)	-
Share of loss in equity-accounted associates, net of tax	387	773
Operating profit before working capital changes	<u>3,693</u>	7,104
(Increase)/decrease in trade and other receivables, deposits and prepayments	(8,401)	2,783
Increase/(decrease) in trade and other payables, contract liabilities and accruals	<u>4,399</u>	(2,273)
Cash (used in)/generated from operations	(309)	7,614
Income tax paid	(2,041)	(1,012)
Income tax refunded	112	5
Retirement benefit paid	(61)	(3)
Net cash (used in)/from operating activities	<u>(2,299)</u>	6,604
<b>Cash Flows From Investing Activities</b>		
Expenditure incurred on development expenditure	(1,569)	(1,863)
Decrease/(increase) in fixed deposits pledged	30	(1,068)
Interest received	199	310
Proceeds from disposals of plant and equipment	-	*
Purchase of plant and equipment	(316)	(559)
Repayment/(advances) to associates	163	(432)
Proceeds from disposal of associate	369	-
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>(997)</u>	(4,370)
<b>Cash Flows From Financing Activities</b>		
Drawdown of loan	357	-
Interest paid	(70)	*
Repayment of lease liabilities	(1,545)	(1,329)
Net cash (used in) financing activities	<u>(1,258)</u>	(1,329)
<b>Net (decrease)/increase in Cash and Cash Equivalents</b>	<u>(4,554)</u>	905
Effects of exchange rate changes	(365)	186
<b>Cash and Cash Equivalents at beginning of period</b>	<u>22,961</u>	21,870
<b>Cash and Cash Equivalents at end of period</b>	<u>18,042</u>	22,961

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2020 (CONT'D)**

	<b>Note</b>	<b>Current year-to-date ended 31.12.2020 RM'000</b>	<b>Preceding year-to-date ended 31.12.2019 RM'000</b>
<b>Cash and Cash Equivalents comprised:</b>			
Bank overdrafts		(1,292)	(994)
Cash and bank balances		19,074	20,433
Fixed deposits with licensed banks		2,254	5,545
		<u>20,036</u>	<u>24,984</u>
Less: fixed deposits pledged		(1,994)	(2,023)
		<u>18,042</u>	<u>22,961</u>

\* 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 THE FOURTH QUARTER 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 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
<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	-	-	-	-	(329)	(329)	(995)	(1,324)
Other comprehensive loss	-	-	(185)	(248)	(24)	(457)	(108)	(565)
<b>Total Comprehensive Loss</b>	-	-	(185)	(248)	(353)	(786)	(1,103)	(1,889)
Allotment/(disposal) of shares to a non-controlling interest	-	-	9	-	390	399	(154)	245
Total transaction with Owners and changes in ownership interests	-	-	9	-	390	399	(154)	245
<b>Balance as at 31.12.2020</b>	19,342	(2,512)	(156)	-	18,571	35,245	1,730	36,975
<b>Balance as at 1.1.2019</b>	19,193	(2,512)	(155)	248	17,555	34,329	2,546	36,875
Profit for the period	-	-	-	-	1,250	1,250	143	1,393
Other comprehensive income/(Loss)	-	-	175	-	(10)	165	37	202
<b>Total Comprehensive Income</b>	-	-	175	-	1,240	1,415	180	1,595
Issuance of ordinary shares pursuant to ESS	149	-	-	-	-	149	-	149
<b>Total transaction with Owners and changes in ownership interests</b>	149	-	-	-	(261)	(112)	261	149
<b>Balance as at 31.12.2019</b>	19,342	(2,512)	20	248	18,534	35,632	2,987	38,619

(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 FOURTH QUARTER ENDED 31 DECEMBER 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
Amendments to MFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 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.

<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Annual improvement to MFRS Standards 2018 -2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to 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 FOURTH QUARTER ENDED 31 DECEMBER 2020**

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

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

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

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

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

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

**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 December 2020.

**A7. Dividends paid**

There were no dividend paid by the Company during the current quarter and current year-to-date ended 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 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:

	31 December 2020		31 December 2019	
	Closing rate	Average rate	Closing rate	Average rate
	RM	RM	RM	RM
1 Singapore Dollar	3.048	3.046	3.036	3.036
1 Hong Kong Dollar	0.520	0.542	0.525	0.529
1 Chinese Renminbi	0.617	0.609	0.586	0.600
1 US Dollar	4.029	4.202	4.087	4.142
100 Indonesian Rupiah	0.029	0.029	0.029	0.029
100 Thai Baht	-	13.430	-	13.350
100 Philippines Peso	8.389	8.470	8.061	8.001
100 Vietnamese Dong	0.017	0.018	0.018	0.018
100 New Taiwan Dollar	14.345	14.269	13.639	13.405
100 South Korean Won	0.371	0.356	0.354	0.356

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2020**

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

Current year-to-date ended 31 December 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	37,122	13,515	12,285	3,601	18,307	9,498	4,013	891	3,583	217	-	103,032
Inter-segment revenue	3,724	13	56	107	235	289	80	88	98	-	(4,690)	-
Total revenue	40,846	13,528	12,341	3,708	18,542	9,787	4,093	979	3,681	217	(4,690)	103,032
<b>Segment Results</b>												
Results from operating activities	649	831	229	(1,850)	1,555	333	(738)	(308)	185	(239)	(264)	383
Finance costs	(130)	(37)	(86)	(19)	(1)	(31)	(139)	(9)	(28)	(10)	264	(226)
Share of loss in equity- accounted associates, net of tax	(139)	(248)	-	-	-	-	-	-	-	-	-	(387)
Profit/(loss) before tax	380	546	143	(1,869)	1,554	302	(877)	(317)	157	(249)	-	(230)
Taxation	(780)	-	-	(24)	(65)	(105)	(60)	-	(60)	-	-	(1,094)
(Loss)/profit after tax	(400)	546	143	(1,893)	1,489	197	(937)	(317)	97	(249)	-	(1,324)
Non-controlling interests	74	-	(40)	927	(259)	(10)	187	29	-	87	-	995
(Loss)/profit attributable to Owners of the Company	(326)	546	103	(966)	1,230	187	(750)	(288)	97	(162)	-	(329)
<b>Assets</b>												
Segment assets	49,610	8,576	9,629	4,591	16,476	12,310	2,949	170	2,189	203	(30,286)	76,417
<b>Liabilities</b>												
Segment liabilities	14,033	3,853	3,935	3,188	4,131	6,744	1,935	205	1,376	42	-	39,442

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2020**

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

Current year-to-date ended 31 December 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><u>Revenue</u></b>										
Revenue from external customers	4,437	68,252	12,419	33,756	18	112,142	28,122	250,321	853	52
Inter-segment revenue	5	311	368	434	-	3,417	565	24,745	23	-
Total revenue	4,442	68,563	12,787	34,190	18	115,559	28,687	275,066	876	52
<b><u>Segment Results</u></b>										
Results from operating activities	272	1,267	(6,378)	2,876	(7)	3,937	(5,171)	(86,399)	44	(57)
Finance costs	(12)	(475)	(67)	(2)	-	(371)	(972)	(2,477)	(7)	(1)
Share of loss in an equity- accounted associate, net of tax	(81)	-	-	-	-	-	-	-	-	-
Profit/(loss) before tax	179	792	(6,445)	2,874	(7)	3,566	(6,143)	(88,876)	37	(58)
Taxation	-	-	(82)	(119)	-	(1,239)	(423)	-	(14)	-
Profit/(loss) after tax	179	792	(6,527)	2,755	(7)	2,327	(6,566)	(88,876)	23	(58)
Non-controlling interests	-	(220)	3,198	(480)	-	(116)	1,313	7,816	-	21
Profit/(loss) attributable to Owners of the Company	179	572	(3,329)	2,275	(7)	2,211	(5,253)	(81,060)	23	(37)
<b><u>Assets</u></b>										
Segment assets	2,814	56,641	15,829	31,036	546	146,738	20,559	45,709	543	50
<b><u>Liabilities</u></b>										
Segment liabilities	1,367	62,279	11,665	6,735	928	87,885	55,677	266,797	558	166

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

Preceding year-to-date ended 31 December 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>Revenue</b>												
Revenue from external customers	38,553	13,753	4,018	13,896	30,143	9,882	4,481	989	1,429	46	-	117,190
Inter-segment revenue	3,666	270	108	239	99	149	220	76	*	-	(4,827)	-
<b>Total revenue</b>	<b>42,219</b>	<b>14,023</b>	<b>4,126</b>	<b>14,135</b>	<b>30,242</b>	<b>10,031</b>	<b>4,701</b>	<b>1,065</b>	<b>1,429</b>	<b>46</b>	<b>(4,827)</b>	<b>117,190</b>
<b>Segment Results</b>												
Results from operating activities	110	650	(455)	(397)	3,079	1,345	(90)	(564)	(26)	(227)	(254)	3,171
Finance costs	(58)	(42)	(99)	(30)	(23)	(25)	(126)	-	-	-	254	(149)
Share of loss in equity- accounted associates, net of tax	(362)	(411)	-	-	-	-	-	-	-	-	-	(773)
(Loss)/profit before tax	(310)	197	(554)	(427)	3,056	1,320	(216)	(564)	(26)	(227)	-	2,249
Taxation	(228)	-	-	(51)	(407)	(157)	(13)	-	-	-	*	(856)
(Loss)/profit after tax	(538)	197	(554)	(478)	2,649	1,163	(229)	(564)	(26)	(227)	-	1,393
Non-controlling interests	(25)	-	108	235	(540)	(58)	81	56	-	-	-	(143)
(Loss)/profit attributable to Owners of the Company	(563)	197	(446)	(243)	2,109	1,105	(148)	(508)	(26)	(227)	-	1,250
<b>Assets</b>												
Segment assets	47,663	7,260	4,576	7,030	20,231	12,151	3,054	401	870	219	(29,581)	73,874
<b>Liabilities</b>												
Segment liabilities	16,462	3,379	5,709	3,839	8,954	7,584	6,942	989	1,086	614	(20,303)	35,255

\* represents value below RM1,000.

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2020**

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

Preceding year-to-date ended 31 December 2019 (cont'd)

Operating Segments (cont'd)

	Singapore SGD'000	Vietnam VND'Mil	Indonesia IDR'Mil	Hong Kong HKD'000	China CNY'000	Philippines PHP'000	Taiwan TWD'000	South Korea KRW'000	Cambodia USD'000	Myanmar USD'000
<b><u>Revenue</u></b>										
Revenue from external customers	4,530	22,323	47,917	56,982	-	123,509	33,427	277,780	345	11
Inter-segment revenue	89	602	822	186	-	1,865	1,643	21,375	*	-
Total revenue	4,619	22,925	48,739	57,168	-	125,374	35,070	299,155	345	11
<b><u>Segment Results</u></b>										
Results from operating activities	214	(2,527)	(1,368)	5,941	(80)	16,810	(670)	(158,316)	(6)	(55)
Finance costs	(14)	(552)	(105)	(44)	-	(310)	(936)	-	-	-
Share of loss in equity-accounted associates, net of tax	(136)	-	-	-	-	-	-	-	-	-
Profit/(loss) before tax	64	(3,079)	(1,473)	5,897	(80)	16,500	(1,606)	(158,316)	(6)	(55)
Taxation	-	-	(178)	(769)	-	(1,960)	(98)	-	-	-
Profit/(loss) after tax	64	(3,079)	(1,651)	5,128	(80)	14,540	(1,704)	(158,316)	(6)	(55)
Non-controlling interests	-	598	809	(1,026)	-	(727)	602	15,832	-	-
Profit/(loss) attributable to Owners of the Company	64	(2,481)	(842)	4,102	(80)	13,813	(1,102)	(142,484)	(6)	(55)
<b><u>Assets</u></b>										
Segment assets	2,391	25,424	24,241	37,956	520	150,743	22,381	113,223	213	54
<b><u>Liabilities</u></b>										
Segment liabilities	1,113	31,714	13,237	15,982	961	94,083	50,896	279,409	266	150

\* represents value below RM1,000.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 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 December 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 associates**

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.

Innity Corporation Berhad ("ICB") has entered into a stock purchase agreement with DAC Asia Pte. Ltd.on 31 December 2020, to fully disposed 196,000 ordinary shares, representing 20% shareholdings in I-DAC Pte. Ltd ("I-DAC") with sales proceed of SGD1.00. Subsequent to the disposal, I-DAC and I-DAC Malaysia Sdn Bhd , a wholly owned subsidiary of I-DAC will no longer accounted for equity method in the Company consolidated financial statements.

**(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 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 2020****A13. Significant unrecognised contractual commitments**

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

**A14. Significant related party transactions**

The following were the significant related party transactions: -

	<b>Current year-to-date ended 31.12.2020 <u>RM</u></b>	<b>Preceding year-to-date ended 31.12.2019 <u>RM</u></b>
Sales of advertisement space	1,343,941	1,587,545
Purchase of advertisement space	691,471	979,646
Purchase of online recruitment services	-	3,083
Bookkeeping fees	12,000	12,000
Royalty fees	146,250	148,412
Management fees	475,323	365,845

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



**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 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 31.12.2020 RM'000</b>	<b>Comparative quarter ended 31.12.2019 RM'000</b>	<b>% change</b>	<b>Current year-to-date ended 31.12.2020 RM'000</b>	<b>Preceding year-to-date ended 31.12.2019 RM'000</b>	<b>% change</b>
<b>Overall performance analysis</b>						
Revenue	<b>33,794</b>	30,154	12%	<b>103,032</b>	117,190	(12%)
Profit from operations	<b>5,313</b>	2,208	> 100%	<b>383</b>	3,171	(88%)
Finance costs	<b>(72)</b>	(149)	52%	<b>(226)</b>	(149)	(52%)
Share of profit/loss of equity-accounted associates, net of tax	<b>7</b>	(328)	> 100%	<b>(387)</b>	(773)	50%
Profit/loss before tax	<b>5,248</b>	1,731	> 100%	<b>(230)</b>	2,249	> (100%)
Profit/(loss) after tax	<b>4,299</b>	1,364	> 100%	<b>(1,324)</b>	1,393	> (100%)
Profit/loss attributable to Owner of the Company	<b>4,312</b>	1,041	> 100%	<b>(329)</b>	1,250	> (100%)

**Current Year-To-Date (“12M20”) compared with Preceding Year-To-Date (“12M19”)**

**(i) Group’s overview of Revenue, Gross Profit and Loss Before Tax**

In 12M20, The Group registered a total revenue of RM103.03 million which is approximately 12.1% lower compared to revenue of RM117.19 million in 12M19. The lower revenue recorded in 12M20 was primarily due to the coronavirus outbreak, which posted an unprecedented uncertainty that disrupted the group business activities in the second financial quarter. Majority of the business units recorded a decrease in revenue in 12M20 compared to 12M19, except for Vietnam, Cambodia and Myanmar. The Loss Before Tax (“LBT”) was in tandem with the decline in revenue.

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

**Other income**

In 12M20, other income has increased by RM2.5 million or more than doubled from RM0.93 million in 12M19 to RM3.43 million in 12M20. The increase in other income was mainly attributable to Coronavirus Government Support Grant from Singapore, Hong Kong and Taiwan business units, gain on the disposal of shareholdings in Fivestones Digital and share of other reserve after disposing associate company, I-DAC.

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

*Current Year-To-Date ("12M20") compared with Preceding Year-To-Date ("12M19") (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 slightly decrease by approximately 0.4% or RM0.20 million from RM45.46 million in 12M19 to RM45.26 million in 12M20.

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

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

The following summarises the various sources of cash flows as at 31 December 2020 against 31 December 2019:

	Current year- to-date ended 31 December 2020 <u>RM'000</u>	Preceding year- to-date ended 31 December 2019 <u>RM'000</u>
Net cash (used in)/generated from		
- Operating activities	(2,299)	6,604
- Investing activities	(997)	(4,370)
- Financing activities	(1,258)	(1,329)
- Exchange difference	(365)	186
Net decrease in cash and cash equivalents	<u>(4,919)</u>	<u>1,091</u>

The Group has cash and cash equivalents amounting to RM18.04 million as at 31 December 2020 as compared with RM22.96 million as at 31 December 2019. The debts to equity ratio as at 31 December 2020, rose to 0.10 times (12M19:0.08) due to the increase in borrowing on term loan financing for the purchased of a leasehold office.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2020**

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

*Current Quarter ("4Q20") compared with Comparative Quarter of Preceding Year ("4Q19")*

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

	Revenue from external customers			Profit before tax		
	Current quarter ended 31.12.2020 RM'000	Comparative quarter ended 31.12.2019 RM'000	% change	Current quarter ended 31.12.2020 RM'000	Comparative quarter ended 31.12.2019 RM'000	% change
<b>Operating segments</b>						
- Malaysia	13,138	8,794	49%	2,146	(488)	> 100%
- Singapore	5,064	3,507	44%	919	(59)	> 100%
- Vietnam	2,565	1,834	40%	351	139	> 100%
- Indonesia	962	1,624	(41%)	(749)	84	> (100%)
- Hong Kong and China	4,770	9,694	(51%)	1,370	1,334	3%
- Philippines	4,296	2,671	61%	1,001	795	26%
- Taiwan	1,419	1,038	37%	(8)	(36)	78%
- South Korea	197	348	(43%)	37	(69)	> 100%
- Cambodia	1,284	602	> 100%	225	63	> 100%
- Myanmar	99	42	> 100%	(44)	(32)	(38%)
	<b>33,794</b>	<b>30,154</b>	12%	<b>5,248</b>	<b>1,731</b>	> 100%

Malaysia segment's has experienced a strong rebound in revenue, total advertising spending has increased by 49% or RM4.34 million from RM8.79 million in 4Q19 to RM13.14 million in 4Q20. The change in consumer spending behavior from offline shopping to online shopping resulted from the coronavirus pandemic has led to the increase in digital advertising spending from the brands. The PBT increased more than four fold to RM2.15 million in 4Q20 from LBT of RM0.49 million in 4Q19 is consistent with the increase in revenue.

Singapore segment's revenue increased by 44% or RM1.56 million to a total of RM5.06 million in 4Q20 from RM3.51 million in 4Q19. The segment's business activities has outperformed the previous corresponding quarter, this was mainly contributed from the recovery of local economy from the successful implementation of coronavirus economy stimulus package and roll out of coronavirus vaccine by Singapore government. The turnaround results from LBT of RM0.06 million to RM0.92 million PBT was in tandem with the surge in revenue.

In the current period, Vietnam segment registered a revenue of RM2.57 million and PBT of RM0.35 million in 4Q20 as compared to RM1.83 million in revenue and PBT of RM0.14 million in 4Q19. Vietnam segment continues to benefit from the repeated advertising spending from a major client coupled with additional revenue stream from a few new clientele. The increase in PBT was in line with the greater revenue achieved.

For 4Q20, Indonesia segment's revenue decreased approximately by 41% to RM0.96 million in 4Q20 from RM1.62 million in 4Q19, The decline in revenue was due to the absent of digital advertising spending from a few key customers who were the major revenue contributors in 4Q19. The LBT of RM0.75 million was recorded in 4Q20 as opposed to a PBT of RM0.08 million which was mainly due to the drop in revenue.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2020****B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)***Current Quarter ("4Q20") compared with Comparative Quarter of Preceding Year ("4Q19") (Cont'd)***(i) Group's overview of Operating Segments (cont'd)**

Hong Kong segment's revenue dipped by RM4.92 million or 51% from RM9.69 million in 4Q19 to RM4.77 million in 4Q20. The decline in revenue was mainly attributable to reduced digital advertising spending from existing customers amidst the fourth wave of coronavirus outbreak movement control lock down and political instability. Despite lower revenue being recorded in 4Q20, with the support from the government grant coupled with higher product margin has consequently improved the segment's PBT by 3%. China segment did not contribute significantly to the Group's result as a whole and it remains challenging as the segment is still undergoing a period of sourcing its right business strategy to revive the market.

The Philippines posted higher revenue and higher PBT in 4Q20 at RM4.30 million and RM1.00 million as compared with revenue of RM2.67 million and PBT of RM0.80 million respectively in 4Q19, representing 61% and 26% increase in revenue and PBT. Philippines market has opened up and brands have started to increase spending on digital advertising as a result of changes in consumer spending habits from offline to online. This resulted in achieving better revenue and led to an improved PBT.

During the current quarter, Taiwan segment's revenue was 37% higher at RM1.42 million as compared to RM1.04 million in the preceding year's corresponding quarter. The segment received positive results which was attributed from the past efforts that have been focused on educating customers on the Company products. This has led advertisers to increase advertising spend during the year end holiday season to attract higher consumer spending. The segment has incurred a LBT of RM8,000 in 4Q20 as compared to LBT of RM0.04 million in 4Q19. The lower LBT posted in 4Q20 as compared to 4Q19 was consistent with the higher revenue achieved.

South Korea segment registered a lower revenue in 4Q20 at RM0.20 million as compared to revenue of RM0.35 million in 4Q19, representing 43% lower than 4Q19. The drop in revenue was due to the absent of repeated orders from customers who spent in 4Q19, 4Q20 revenue solely relied on the new source of revenue generated from the new clientele awarded in the current year. Despite the drop in revenue, Korea segment has registered a PBT of RM0.04 million in 4Q20 as compared to LBT of RM0.07 million in 4Q19. The segment's favourable results was contributed from the benefit received from changes of business strategy to resellership model to minimise the operating costs started in the immediate preceding quarter.

For the current period under review, Cambodia segment's revenue rose by RM0.68 million or doubled from RM0.60 million in 4Q19 to RM1.28 million in 4Q20. The segment continues to benefit from repeated orders from existing clientele and new orders from new clientele awarded in the current year. The improved PBT of RM0.16 million from RM0.06 million in 4Q19 to RM0.23 million in 4Q20 is in line with the increase in revenue.

Myanmar segment recorded higher revenue and LBT for the quarter at RM0.10 million and RM0.04 as compared to revenue of RM0.04 million and LBT of RM0.03 in the same period last year. Myanmar segment's revenue was doubled, where majority of the revenue was attributed from the new revenue stream contributed from the new customers awarded in current financial year. However, higher operating costs was incurred in 4Q20 as compared to 4Q19 caused the increase in LBT.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 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 31.12.2020 RM'000</b>	Immediate preceding quarter ended 30.9.2020 RM'000	% change
<b>Overall performance analysis</b>			
Revenue	33,794	25,350	33%
Profit from operations	5,313	817	> 100%
Finance costs	(72)	(36)	(100%)
Share of loss in equity-accounted associates, net of tax	7	(66)	> 100%
Profit before tax	5,248	715	> 100%
Profit after tax	4,299	470	>100%
Profit attributable to Owners of the Company	4,312	581	>100%

For the fourth quarter ended 31 December 2020, the group's revenue spiked by RM8.44 million or 33% from RM25.35 million in 3Q20 to RM33.79 million in 4Q20. The group gained strong bounce back from the effect of the coronavirus pandemic, where consumers adapted to the new norm of staying indoors during pandemic times which contributed to increased purchases online. As a result, advertisers accelerated and increased digital advertising spending to connect with consumers to boost sales to drive yearly results, especially during the year-end festivities.

In 4Q20, PBT has increased RM4.5 million or more than seven fold to RM5.25 million from RM0.72 million in 3Q20. 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 2021**

Year 2021 still holds some economic uncertainty due to the ongoing Coronavirus pandemic despite the global economy expecting to recover upon the successful containment of the virus. Nevertheless, the management has taken all necessary actions and precautions to ensure business operational continuity as well as safeguarding the health and safety of staffs and customers. 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 FOURTH QUARTER ENDED 31 DECEMBER 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**

		<b>Current quarter ended 31.12.2020 RM'000</b>	Comparative quarter ended 31.12.2019 RM'000	<b>Current year-to-date ended 31.12.2020 RM'000</b>	Preceding year-to-date ended 31.12.2019 RM'000
<b>Loss before tax is arrived at after charging:</b>	<b>Note</b>				
Amortisation of development expenditure	(i)	430	414	1,722	1,615
Allowance for doubtful debts	(i)	371	(491)	579	584
Bad debts written off	(i)	13	-	13	-
Depreciation	(i)	661	1,397	2,139	1,870
Interest expense					
- bank overdraft	(i)	19	-	68	*
- lease rental interest	(i)	51	149	156	149
- Term loan interest		1	-	1	-
Loss on foreign exchange					
- realised		79	37	126	173
- unrealised	(i)	31	28	107	133
Retirement benefits	(i)	1	57	98	150
Share-based payment	(i)	2	-	121	-
Shares granted under ESS	(i)	-	-	-	149
<b>And (crediting):</b>					
Allowance for doubtful debts no longer required	(i)	(6)	(170)	-	(184)
Gain on disposal of plant and equipment	(i)	-	*	-	*
Gain on disposal of investment	(i)	-	-	(280)	-
Share of other reserves in associated company	(i)	(249)	-	(249)	-
Gain on foreign exchange	(i)				
- realised		(28)	(9)	(69)	(71)
- unrealised	(i)	94	71	(302)	(74)
Interest income	(i)	(37)	(74)	(199)	(310)
Other income					
- miscellaneous		(550)	(235)	(2,331)	(477)

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

\* represents value below RM1,000.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B7. Taxation**

	<b>Current quarter ended 31.12.2020 RM'000</b>	Comparative quarter ended 31.12.2019 RM'000	<b>Current year-to- date ended 31.12.2020 RM'000</b>	Preceding year-to- date ended 31.12.2019 RM'000
In respect of the current year				
Malaysian income tax	476	(33)	613	190
Outside Malaysia	384	623	407	826
Under/(over) provision in respect of prior years				
Malaysian income tax	57	-	57	*
Outside Malaysia	(10)	(11)	6	(11)
Deferred taxation	43	(212)	12	(149)
	<b>950</b>	367	<b>1,095</b>	856

\* represents value below RM1,000.

Malaysia segment effective tax rate for the current financial year is higher than the statutory tax rate, this was due to deferred tax assets arising from certain Malaysian subsidiaries' tax losses are not recognised where it is not probable that taxable profit will be available in the foreseeable future to utilise the tax benefits in Malaysia segment. Hong Kong segment and Philippines segment were subject to statutory tax rate of 8.5%(2019:8.5% to 16.5%) and 30% (2019:30%) respectively.

**B8. Borrowings**

The details of the Group's borrowings are as follows:-

	<b>31.12.2020 RM'000</b>	<b>31.12.2019 RM'000</b>
Non-current:		
Secured		
Term loan	337	-
Current:		
Secured		
Bank overdraft	1,292	994
Term loan	20	-
	<b>1649</b>	<b>994</b>

The Group does not have any foreign currency borrowings.

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2020**

**B9. Changes in material litigation**

As at 18 February 2021 (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 instalments: -

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

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

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

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

LeSports HK had subsequently requested and ICCL had consented to give an extension of time until 31 December 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 31 December 2017.



**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2020**

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

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

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

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

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

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

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

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

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

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

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

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

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2020**

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

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

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

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

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

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

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

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

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

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

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

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.

**B10. Dividends**

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

**QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2020****B11. Earnings Per Share (“EPS”)/(Loss) Per Share (“LPS”) attributable to Owners of the Company**

	<b>Current quarter ended 31.12.2020</b>	Comparative quarter ended 31.12.2019	<b>Current year-to-date ended 31.12.2020</b>	Preceding year-to-date ended 31.12.2019
<b>Basic EPS/(LPS)</b>				
Profit/(loss) attributable to Owners of the Company (RM'000)	<u>4,312</u>	1,041	<u>(329)</u>	1,250
Weighted average number of ordinary shares in issue ('000)	<u>139,103</u>	138,999	<u>139,103</u>	138,999
<b>Basic EPS/(LPS) (sen)</b>	<u>3.10</u>	0.75	<u>(0.24)</u>	<u>0.90</u>

Diluted earnings/(loss) per share is not computed as the Company does not have any convertible financial instruments as at 31 December 2020.

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

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

**B13. Status of corporate proposals**

There were no corporate proposals announced but not yet completed as at 18 February 2021 (being the date not earlier than 7 days before the date of this announcement).

**B14. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with the Board of Directors’ meeting held on 25 February 2021.

**By Order of the Board**

**Phang Chee Leong**  
Executive Chairman

25 February 2021