

QUARTERLY REPORT FOR THE SECOND QUARTER 2021
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	As at 30.06.2021 RM'000	As at 31.12.2020 RM'000
Assets:		
Non-current assets		
Property, plant and equipment	1,315	1,445
Right-of-use assets	2,078	2,718
Intangible assets	4,781	5,011
Investment in associates	544	508
Deferred tax assets	913	918
	9,631	10,600
Current assets		
Inventories	29	-
Trade receivables	30,321	37,148
Other receivables, deposits, contract assets and prepayments	6,322	6,611
Tax recoverable	990	730
Fixed deposits with licensed banks	2,203	2,254
Cash and bank balances	23,135	19,074
	63,000	65,817
Total Assets	72,631	76,417
Equity:		
Share capital	19,477	19,342
Reserves	15,873	15,903
Equity attributable to Owners of the Company	35,350	35,245
Non-controlling interests	1,487	1,730
Total Equity	36,837	36,976
Liabilities:		
Non-current liabilities		
Deferred tax liabilities	736	812
Lease liabilities	89	504
Retirement benefit obligations	706	689
Borrowings	324	337
	1,855	2,342

QUARTERLY REPORT FOR THE SECOND QUARTER 2021**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (CONT'D)**

	As at 30.06.2021 RM'000	As at 31.12.2020 RM'000
Current liabilities		
Trade payables	23,215	24,690
Other payables, contract liabilities and accruals	9,208	9,686
Lease liabilities	1,038	1,248
Borrowings	30	1,312
Tax payable	448	164
	<hr/> 33,939	<hr/> 37,100
Total Liabilities	<hr/> 35,794	<hr/> 39,442
Total Equity and Liabilities	<hr/> 72,631	<hr/> 76,417
Net Assets per share attributable to Owners of the Company (sen)	<hr/> 25.40	<hr/> 25.34

(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 2020)

QUARTERLY REPORT FOR THE SECOND QUARTER 2021
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2021**

	Current quarter ended	Comparative quarter ended	Current year-to-date ended	Preceding year-to-date ended
Note	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Revenue	27,325	22,575	53,190	43,888
Direct costs	(16,956)	(14,854)	(32,669)	(28,233)
Gross profit	10,369	7,721	20,521	15,655
Other operating income	657	1,199	1,310	2,006
Other operating expenses	(10,795)	(10,619)	(21,709)	(23,408)
Profit/(Loss) from operations	231	(1,699)	122	(5,747)
Finance costs	(30)	(55)	(85)	(118)
Share of profit/(loss) in equity-accounted associates, net of tax	52	(59)	70	(328)
Profit/(Loss) before tax	253	(1,813)	107	(6,193)
Taxation	(466)	(77)	(543)	100
Loss after tax	(213)	(1,890)	(436)	(6,093)
Other Comprehensive Loss for the period, net of tax				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation	(123)	193	163	495
Total Other Comprehensive (Loss)/Income for the period, net of tax	(123)	193	163	495
Total Comprehensive Loss	(336)	(1,697)	(273)	(5,598)

QUARTERLY REPORT FOR THE SECOND QUARTER 2021
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2021 (CONT'D)**

	Current quarter ended	Comparative quarter ended	Current year-to-date ended	Preceding year-to-date ended
Note	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Loss attributable to:				
Owners of the Company	(108)	(1,543)	(180)	(5,222)
Non-controlling interests	(105)	(347)	(256)	(871)
	<u>(213)</u>	<u>(1,890)</u>	<u>(436)</u>	<u>(6,093)</u>
Total Comprehensive Loss attributable to:				
Owners of the Company	(214)	(1,458)	(30)	(4,786)
Non-controlling interests	(122)	(239)	(243)	(812)
	<u>(336)</u>	<u>(1,697)</u>	<u>(273)</u>	<u>(5,598)</u>
Loss per share attributable to Owners of the Company (sen)				
Basic	B11 (0.08)	(1.11)	(0.13)	(3.75)

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2020)

QUARTERLY REPORT FOR THE SECOND QUARTER 2021
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

	Current year-to-date ended 30.06.2021 RM'000	Preceding year-to-date ended 30.06.2020 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before tax	107	(6,193)
Adjustments for:		
Non-cash and non-operating items	1,221	1,716
Addition of lease	(28)	(84)
Share of profit/(loss) in equity-accounted associates, net of tax	(70)	328
Operating profit/(loss) before working capital changes	1,230	(4,233)
(Increase) in inventory	(29)	-
Decrease in trade and other receivables, deposits and prepayments	8,441	261
(Decrease)/Increase in trade and other payables, contract liabilities and accruals	(2,445)	3,182
Cash generated from/(used in) operations	7,197	(790)
Income tax paid	(587)	(1,287)
Net cash from/(used in) operating activities	6,610	(2,077)
Cash Flows From Investing Activities		
Expenditure incurred on development expenditure	(662)	(858)
Decrease/(Increase) in fixed deposits pledged	58	(305)
Interest received	57	122
Proceeds from disposals of plant and equipment	2	-
Purchase of plant and equipment	(150)	(145)
Repayment from/(Advances to) associates	25	(416)
Proceeds from disposal of associate	-	364
Disposal and allotment of shares to non-controlling interest	-	127
Net cash used in investing activities	(670)	(1,111)
Cash Flows From Financing Activities		
Interest paid	(29)	(43)
Repayment of lease liabilities	(735)	(728)
Repayments of term loans	(2)	-
Net cash used in financing activities	(766)	(771)
Net increase/(decrease) in Cash and Cash Equivalents	5,174	(3,959)
Effects of exchange rate changes	187	478
Cash and Cash Equivalents at beginning of period	18,041	22,961
Cash and Cash Equivalents at end of period	23,402	19,480

QUARTERLY REPORT FOR THE SECOND QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021 (CONT'D)**

	Current year-to-date ended 30.06.2021 RM'000	Preceding year-to-date ended 30.06.2020 RM'000
Cash and Cash Equivalents comprised:		
Bank overdrafts	-	(971)
Cash and bank balances	23,135	20,174
Fixed deposits with licensed banks	2,203	2,605
	25,338	21,808
Less: fixed deposits pledged	(1,936)	(2,328)
	23,402	19,480

(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 2020)

QUARTERLY REPORT FOR THE SECOND QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021**

	Attributable to Owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Reverse acquisition reserve	Foreign exchange reserve	Other reserves	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000			
Balance as at 1.1.2021	19,342	(2,512)	(156)	-	18,572	35,245	1,730	36,976
Loss for the period	-	-	-	-	(180)	(180)	(256)	(436)
Other comprehensive income	-	-	150	-	-	150	13	163
Total Comprehensive Income/(Loss)	-	-	150	-	(180)	(30)	(243)	(273)
Issuance of ordinary shares pursuant to ESS (Note A6)	135	-	-	-	-	135	-	135
Total transaction with Owners and changes in ownership interests	135	-	-	-	-	135	-	135
Balance as at 30.06.2021	19,477	(2,512)	(6)	-	18,392	35,350	1,487	36,837
Balance as at 1.1.2020	19,342	(2,512)	20	248	18,534	35,632	2,987	38,619
Loss for the period	-	-	-	-	(5,222)	(5,222)	(871)	(6,093)
Other comprehensive income	-	-	436	-	-	436	59	495
Total Comprehensive Income/(Loss)	-	-	436	-	(5,222)	(4,786)	(812)	(5,598)
Disposal and allotment of shares to a non-controlling interest	-	-	2	-	206	208	(81)	127
Total transaction with Owners and changes in ownership interests	-	-	2	-	206	208	(81)	127
Balance as at 30.06.2020	19,342	(2,512)	458	248	13,518	31,054	2,094	33,148

(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 2020)

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

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 2020 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 2020.

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 2020 except for the newly-issued MFRS, interpretations and amendments to standards to be applied for the financial periods beginning on or after 1 January 2021:

a) New MFRS effective for annual period beginning on or after 1 January 2021

The Group adopted the following Amendments to the Standards effective from the current quarter 2021, that are mandatory for annual periods beginning on or after 1 January 2021.

<u>Title</u>	<u>Effective date</u>
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021

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 2022

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.

<u>Title</u>	<u>Effective date</u>
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 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</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 SECOND QUARTER ENDED 30 JUNE 2021**A3. Seasonality or cyclical nature of interim operations**

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

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

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

A5. Changes in estimates of amounts reported previously

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

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

As at 9 March 2021, 300,000 new ordinary shares were issued pursuant to the exercise of the Employee Share Scheme ("ESS"). Details of the issued and paid-up capital of the Company as at 31 March 2021 are as follows:

	<u>No. of shares</u>	<u>RM</u>
As at 1 January 2021	139,103,415	19,342,031
Ordinary shares issued pursuant to the ESS	<u>300,000</u>	<u>135,000</u>
As at 30 June 2021	<u>139,403,415</u>	<u>19,477,031</u>

Other than the above, there were no issuance, cancellations, repurchases, resales and repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and current year-to-date ended 30 June 2021.

A7. Dividends paid

There were no dividend paid by the Company during the current quarter and current year-to-date ended 30 June 2021.

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 SECOND QUARTER ENDED 30 JUNE 2021
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 June 2021		30 June 2020	
	Closing rate	Average rate	Closing rate	Average rate
	RM	RM	RM	RM
1 Singapore Dollar	3.088	3.074	3.071	3.039
1 Hong Kong Dollar	0.535	0.528	0.553	0.548
1 Chinese Renminbi	0.643	0.633	0.606	0.604
1 US Dollar	4.152	4.097	4.284	4.250
100 Indonesian Rupiah	0.029	0.029	0.030	0.029
100 Thai Baht	-	13.300	-	13.440
100 Philippines Peso	8.507	8.493	8.600	8.390
100 Vietnamese Dong	0.018	0.018	0.018	0.018
100 New Taiwan Dollar	14.886	14.620	14.554	14.167
100 South Korean Won	0.368	0.367	0.357	0.352

QUARTERLY REPORT FOR THE SECOND QUARTER 2021
A8. Segmental information (Cont'd)

Current year-to-date ended 30 June 2021

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
<u>Revenue</u>												
Revenue from external customers	20,547	6,270	7,195	1,984	7,397	5,493	2,743	232	1,298	31	-	53,190
Inter-segment revenue	2,275	28	135	65	79	6	60	-	10	-	(2,658)	-
Total revenue	22,822	6,298	7,330	2,049	7,476	5,499	2,803	232	1,308	31	(2,658)	53,190
<u>Segment Results</u>												
Results from operating activities	(134)	262	38	(277)	(96)	700	(198)	(32)	10	(63)	(88)	122
Finance costs	(36)	(12)	(60)	(1)	-	(18)	(23)	(4)	(14)	(5)	88	(85)
Share of profit in equity- accounted associates, net of tax	70	-	-	-	-	-	-	-	-	-	-	70
(Loss)/Profit before tax	(100)	250	(22)	(278)	(96)	682	(221)	(36)	(4)	(68)	-	107
Taxation	(314)	(28)	-	4	-	(193)	-	-	(12)	-	-	(543)
(Loss)/Profit after tax	(414)	222	(22)	(274)	(96)	489	(221)	(36)	(16)	(68)	-	(436)
Non-controlling interests	49	-	4	134	18	(24)	44	7	-	24	-	256
(Loss)/Profit attributable to Owners of the Company	(365)	222	(18)	(140)	(78)	465	(177)	(29)	(16)	(44)	-	(180)
<u>Assets</u>												
Segment assets	46,282	8,426	10,402	4,868	17,487	12,391	2,242	87	939	138	(30,631)	72,631
<u>Liabilities</u>												
Segment liabilities	19,485	3,725	11,418	3,965	4,869	6,894	7,695	937	1,016	689	(24,899)	35,794

QUARTERLY REPORT FOR THE SECOND QUARTER 2021

A8. Segmental information (Cont'd)

Current year-to-date ended 30 June 2021 (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	2,040	39,971	6,843	14,009	-	64,674	18,759	63,371	317	8
Inter-segment revenue	10	750	222	150	-	76	412	-	2	-
Total revenue	2,050	40,721	7,065	14,159	-	64,750	19,171	63,371	319	8
<u>Segment Results</u>										
Results from operating activities	84	209	(955)	(171)	(10)	8,258	(1,354)	(8,712)	2	(15)
Finance costs	(4)	(332)	(3)	-	-	(215)	(155)	(1,120)	(3)	(1)
Profit/(Loss) before tax	80	(123)	(958)	(171)	(10)	8,043	(1,509)	(9,832)	(1)	(16)
Taxation	(9)	-	13	-	-	(2,276)	-	-	(3)	-
Profit/(Loss) after tax	71	(123)	(945)	(171)	(10)	5,767	(1,509)	(9,832)	(4)	(16)
Non-controlling interests	-	25	463	33	-	(288)	302	1,978	-	6
Profit/(Loss) attributable to Owners of the Company	71	(98)	(482)	(138)	(10)	5,479	(1,207)	(7,854)	(4)	(10)
<u>Assets</u>										
Segment assets	2,729	57,790	16,785	32,055	525	145,659	15,059	23,659	226	33
<u>Liabilities</u>										
Segment liabilities	1,206	63,431	13,673	8,020	900	81,034	51,690	254,518	245	166

QUARTERLY REPORT FOR THE SECOND QUARTER 2021
A8. Segmental information (Cont'd)

Preceding year-to-date ended 30 June 2020

Operating Segments (cont'd)

	Malaysia RM'000	Singapore RM'000	Vietnam RM'000	Indonesia RM'000	Hong Kong and China RM'000	Philippines RM'000	Taiwan RM'000	South Korea RM'000	Cambodia RM'000	Myanmar RM'000	Inter- segment eliminations RM'000	Group RM'000
Revenue												
Revenue from external customers	14,076	5,232	6,749	1,781	9,738	3,093	1,296	534	1,337	52	-	43,888
Inter-segment revenue	2,155	-	7	8	19	143	46	87	49	-	(2,514)	-
Total revenue	16,231	5,232	6,756	1,789	9,757	3,236	1,342	621	1,386	52	(2,514)	43,888
Segment Results												
Results from operating activities	(2,018)	(352)	159	(982)	(27)	(1,213)	(677)	(416)	66	(164)	(123)	(5,747)
Finance costs	(73)	(20)	(49)	(14)	(1)	(6)	(69)	-	(9)	-	123	(118)
Share of loss in equity- accounted associates, net of tax	(80)	(248)	-	-	-	-	-	-	-	-	-	(328)
(Loss)/Profit before tax	(2,171)	(620)	110	(996)	(28)	(1,219)	(746)	(416)	57	(164)	-	(6,193)
Taxation	133	-	-	(2)	-	(1)	-	-	(30)	-	-	100
(Loss)/Profit after tax	(2,038)	(620)	110	(998)	(28)	(1,220)	(746)	(416)	27	(164)	-	(6,093)
Non-controlling interests	49	-	(25)	489	49	61	149	42	-	57	-	871
(Loss)/Profit attributable to Owners of the Company	(1,989)	(620)	85	(509)	21	(1,159)	(597)	(374)	27	(107)	-	(5,222)
Assets												
Segment assets	48,365	6,659	8,927	5,027	17,553	12,550	1,773	163	1,780	166	(31,625)	71,338
Liabilities												
Segment liabilities	18,984	3,392	10,001	2,827	5,960	8,928	6,691	1,179	1,980	575	(22,326)	38,191

QUARTERLY REPORT FOR THE SECOND QUARTER 2021

A8. Segmental information (Cont'd)

Preceding year-to-date ended 30 June 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	1,722	37,493	6,140	17,751	18	36,865	9,150	151,670	314	12
Inter-segment revenue	-	37	27	35	-	1,701	328	24,738	11	-
Total revenue	1,722	37,530	6,167	17,786	18	38,566	9,478	176,408	325	12
<u>Segment Results</u>										
Results from operating activities	(116)	886	(3,387)	(59)	10	(14,460)	(4,785)	(118,397)	16	(39)
Finance costs	(7)	(270)	(48)	(2)	-	(71)	(485)	-	(2)	-
Share of loss in equity-accounted associates, net of tax	(82)	-	-	-	-	-	-	-	-	-
(Loss)/Profit before tax	(205)	616	(3,435)	(61)	10	(14,531)	(5,270)	(118,397)	14	(39)
Taxation	-	-	(8)	-	-	(14)	-	-	(7)	-
(Loss)/Profit after tax	(205)	616	(3,443)	(61)	10	(14,545)	(5,270)	(118,397)	7	(39)
Non-controlling interests	-	(141)	1,687	90	-	727	1,054	11,840	-	14
(Loss)/Profit attributable to Owners of the Company	(205)	475	(1,756)	29	10	(13,818)	(4,216)	(106,557)	7	(25)
<u>Assets</u>										
Segment assets	2,168	49,593	16,758	31,148	541	145,935	12,182	45,748	416	39
<u>Liabilities</u>										
Segment liabilities	1,105	55,562	9,423	9,749	937	103,817	45,976	330,307	462	134

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

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 June 2021.

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) Striking off of Spiral Vibe Sdn. Bhd. and Native Media Sdn. Bhd.

(i) Spiral Vibe Sdn. Bhd (“Spiral Vibe”), a wholly-owned subsidiary of ICB, had been struck off from the Register and published in the Gazette on 16 March 2021 pursuant to Section 551 of the Companies Act 2016.

(ii) Native Media Sdn. Bhd. (“Native”), an indirect wholly-owned subsidiary of ICB, had been struck off from the Register and published in the Gazette on 16 March 2021 pursuant to Section 551 of the Companies Act 2016.

The striking off of Spiral Vibe and Native have no material financial impact to the Group as Spiral Vibe and Native were dormant prior to its striking off arrangement.

A12. Changes in contingent liabilities or contingent assets

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

	As at 30.6.2021	As at 30.6.2020
Purchase of leasehold shop office - Approved but not provided for	-	420,000

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:-

	Current year-to-date ended 30.06.2021 <u>RM</u>	Preceding year-to-date ended 30.06.2020 <u>RM</u>
Sales of advertisement space	504,438	212,484
Purchase of advertisement space	177,854	606,299
Purchase of online recruitment services	2,012	-
Bookkeeping fees	6,000	5,000
Royalty fees	93,750	121,966
Management fees	118,827	274,302

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 SECOND QUARTER ENDED 30 JUNE 2021

PART B - Explanatory Notes Pursuant to Chapter 9, Part K - Periodic Disclosures, 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 30.06.2021 RM'000	Comparative quarter ended 30.06.2020 RM'000	% change	Current year-to-date ended 30.06.2021 RM'000	Preceding year-to-date ended 30.06.2020 RM'000	% change
Overall performance analysis						
Revenue	27,325	22,575	21%	53,190	43,888	21%
Profit/(Loss) from operations	231	(1,699)	> 100%	122	(5,747)	> 100%
Finance costs	(30)	(55)	45%	(85)	(118)	28%
Share of profit/(loss) of equity-accounted associates, net of tax	52	(59)	> 100%	70	(328)	> 100%
Profit/(Loss) before tax	253	(1,813)	> 100%	107	(6,193)	> 100%
Loss after tax	(213)	(1,890)	89%	(436)	(6,093)	93%
Loss attributable to Owner of the Company	(108)	(1,543)	93%	(180)	(5,222)	97%

Current Year-To-Date (“6M21”) compared with Preceding Year-To-Date (“6M20”)

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

In 6M21, The Group registered a total revenue of RM53.19 million which is approximately 21% higher compared to revenue of RM43.89 million in 6M20. Higher revenue achieved in 6M21 was due to majority business units' advertisers accelerating digital advertising spending to reach consumers who are growing in shopping, devouring content and TV online effect from the coronavirus pandemic consumers spending behaviour. This has leads to increase advertising spending level as compared to 6M20 which was severely impacted by lockdown in most of the business units. Majority of the business units recorded an increase in revenue in 6M21 compared to 6M20, except for Hong Kong, South Korea, Cambodia and Myanmar. The turnaround from Loss Before Tax ("LBT") in 6M20 to Profit Before Tax ("PBT") in 6M21 was in tandem with the increase in revenue.

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

Other income

In 6M21, other income has decreased by RM0.70 million or 35% from RM2.01 million in 6M20 to RM1.3 million in 6M21. The decrease in other income was mainly due to the absent of gain on the disposal of shareholdings and lesser support fee received from Fivestones Digital, share of other reserve after disposing associate company, I-DAC and expiry of Coronavirus Government Support Grant from Hong Kong and Taiwan business units. The decrease is then cushioned by RM0.43 million increase in allowance for doubtful debts no longer required after collected long outstanding debt from customer.

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

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

Current Year-To-Date ("6M21") compared with Preceding Year-To-Date ("6M20") (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 reduce by approximately 7% or RM1.69 million from RM23.4 million in 6M20 to RM21.71 million in 6M21.

(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 June 2021 against 30 June 2020:

	Current year- to-date ended 30 June 2021 <u>RM'000</u>	Preceding year- to-date ended 30 June 2020 <u>RM'000</u>
Net cash generated from/(used in)		
- Operating activities	6,610	(2,077)
- Investing activities	(670)	(1,111)
- Financing activities	(766)	(771)
- Exchange difference	187	478
Net increase/(decrease) in cash and cash equivalents	<u>5,361</u>	<u>(3,481)</u>

The Group has cash and cash equivalents amounting to RM23.40 million as at 30 June 2021 as compared with RM19.48 million as at 30 June 2020. The debts to equity ratio as at 30 June 2021, decreased to 0.04 (6M20: 0.08).

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

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

Current Quarter ("2Q21") compared with Comparative Quarter of Preceding Year ("2Q20")

(i) Group's overview of Operating Segments

	Revenue from external customers			Profit/(Loss) before tax		
	Current quarter ended 30.06.2021 RM'000	Comparative quarter ended 30.06.2020 RM'000	% change	Current quarter ended 30.06.2021 RM'000	Comparative quarter ended 30.06.2020 RM'000	% change
Operating segments						
- Malaysia	11,221	6,960	61%	96	(349)	> 100%
- Singapore	3,274	2,703	21%	13	(26)	> 100%
- Vietnam	3,982	4,624	(14%)	91	184	(51%)
- Indonesia	1,120	839	33%	(220)	(418)	47%
- Hong Kong and China	3,635	4,135	(12%)	235	43	> 100%
- Philippines	2,432	1,269	92%	299	(806)	> 100%
- Taiwan	1,190	970	23%	(93)	(116)	20%
- South Korea	104	277	(62%)	(2)	(238)	99%
- Cambodia	356	783	(55%)	(124)	41	> (100%)
- Myanmar	11	15	(27%)	(42)	(128)	67%
	27,325	22,575	21%	253	(1,813)	> 100%

Malaysia segment's revenue has increased by 61% or RM4.28 million from RM6.96 million in 2Q20 to RM11.22 million in 2Q21. In 2Q21, the segment has made a shift in marketing strategies to adapt the coronavirus pandemic environment which yielded a higher digital advertising spend from existing and new clientele compared to 2Q20 where the segment was still in the process of developing business recovery strategies. With the surge in revenue, Malaysia segment successfully turned around the LBT of RM0.35 million in 2Q20 to PBT of RM0.10 million in 2Q21.

Singapore posted higher revenue in 2Q21 at RM3.27 million as compared to RM2.70 million in 2Q20. The segment's coronavirus pandemic has been well managed with the steady progress on national vaccination programme. This has contributed to the increasing sales in 2Q21. The turnaround results from LBT of RM0.03 million to RM0.01 million PBT was in tandem with the increase in revenue and savings in operating costs.

For 2Q21, Vietnam segment registered a revenue of RM3.98 million and PBT of RM0.09 million compared with RM4.62 million in revenue and PBT of RM0.18 million in 2Q20. The decrease in revenue was mainly due to substantial reduction in digital advertising spending in 2Q21 from a big client in last year's corresponding quarter, however the drop in revenue was cushioned by additional revenue streams derived from a few new customers. Despite recording an improved product margin, higher operating costs incurred in 2Q21 outweighed the improved product margin and led to a decrease in PBT compared to 2Q20.

Indonesia segment recorded higher revenue and a lower LBT of RM1.12 million and RM0.22 million for the current quarter as compared to revenue of RM0.84 million and LBT of RM0.42 in the same quarter of previous financial year, representing a 33% increase in revenue and 48% drop in LBT. Indonesia segment managed to bring in a few new customers coupled with repeated business from existing customers who have contributed towards the greater revenue achieved in the current quarter. The decrease in LBT was consistent with the increase in sales.

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021**B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)***Current Quarter ("2Q21") compared with Comparative Quarter of Preceding Year ("2Q20") (Cont'd)***(i) Group's overview of Operating Segments (cont'd)**

For the quarter under review, Hong Kong segment's revenue reduced by RM0.50 million from RM4.14 million in 2Q20 to RM3.64 million in 2Q21. The Hong Kong economy is on a path to recovery, however the segment's revenue in 2Q21 performed below 2Q20 mainly due to the changing consumer spending behavior effect from coronavirus pandemic. Nevertheless the segment is in the process of developing new marketing strategies to regain the market share. Despite a drop in revenue in 2Q21 compared to 2Q20, Hong Kong PBT has increased RM0.19 million or more than four fold in 2Q21 mainly due to higher product margin coupled with savings in other operating costs. In 2Q21, no business activities was recorded in China segment and it remains challenging as the segment is still undergoing a period of sourcing its right business strategy to revive the market.

Philippines revenue surged by RM1.16 million or 92% to RM2.43 million in 2Q21 from RM1.27 million in the previous year's corresponding quarter. In 2Q21, the segment continued to benefit from repeated digital advertising spending from existing clienteles and new clienteles awarded from the immediate preceding quarter where lower revenue was posted mainly due to the absent of digital advertising spending from automotive and travel advertisers who were badly affected by the coronavirus pandemic. With higher revenue and product margins coupled with lower operating costs incurred in the current quarter, Philippines managed to turn around from a LBT of RM0.81 million in 2Q20 to a PBT of RM0.30 million in 2Q21.

In the current period, Taiwan segment registered a higher revenue of RM1.19 million and lower LBT of RM0.09 million in 2Q21 as compared to RM1.0 million in revenue and LBT of RM0.12 million in 2Q20. The greater revenue was contributed from the repeated digital advertising spend from existing customers coupled with new revenue streams from new customers. The lower LBT in 2Q21 was in tandem with the higher revenue achieved in 2Q21.

South Korea segment registered a lower revenue in 2Q21 at RM0.10 million as compared to RM0.28 million in 2Q20, representing RM0.17 million or 62% decrease against 2Q20. The drop in revenue was mainly due to loss of repeated business from existing clienteles compared to previous year's corresponding quarter. Despite the drop in revenue, the segment registered a lower LBT of RM2,000 in 2Q21 as compared to LBT of RM0.24 million in 2Q20 which was due to lesser operating costs incurred in 2Q21.

Cambodia segment's revenue declined by RM0.43 million from RM0.78 million in 2Q20 to RM0.36 million in 2Q21. The decrease in revenue was mainly due to reduced digital advertising spending from existing customers in view of the spike in coronavirus outbreak and movement control lockdown imposed by the government in 2Q21. The reduction of RM0.17 million or more than four fold in PBT to a LBT of RM0.12 million in 2Q21 was in tandem with the decrease in revenue.

Myanmar segment recorded a slight decrease in revenue. The fragile local economy remained surrounded by uncertainty impacted by the ongoing political disruption and has put Myanmar segment's business on hiatus. In view of the challenges faced by the segment, the segment's operating expenses is kept at minimum. Hence, a lower LBT of RM0.04 million was incurred in 2Q21 as compared to LBT of RM0.13 million in 2Q20.

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

B2. Commentary on current quarter compared with immediate preceding quarter

Current Quarter (“2Q21”) compared with Comparative Immediate Preceding Quarter (“1Q21”)

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

	Current quarter ended 30.06.2021 RM'000	Immediate preceding quarter ended 31.03.2021 RM'000	% change
Overall performance analysis			
Revenue	27,325	25,865	6%
Profit/(Loss) from operations	231	(109)	> 100%
Finance costs	(30)	(55)	45%
Share of profit in equity-accounted associates, net of tax	52	18	> 100%
Profit/(Loss) before tax	253	(146)	> 100%
Loss after tax	(213)	(223)	4%
Loss attributable to Owners of the Company	(108)	(72)	(50%)

The Group's revenue has increased by RM1.46 million or 6% from RM25.87 million in 1Q21 to RM27.33 million in 2Q21. In the current quarter, Malaysia, Singapore, Vietnam and Indonesia business units contributed positively to the higher revenue compared against the immediate preceding quarter.

The Group managed to turn around from a LBT of RM0.15 million in 1Q21 to a PBT of RM0.25 million in 2Q21 which 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 shoppable solutions, digital commerce, social commerce, as well as influencer marketing 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 SECOND QUARTER ENDED 30 JUNE 2021

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

Profit/(Loss) before tax is arrived at after charging:	Note	Current quarter ended 30.06.2021 RM'000	Comparative quarter ended 30.06.2020 RM'000	Current year-to-date ended 30.06.2021 RM'000	Preceding year-to-date ended 30.06.2020 RM'000
Amortisation of development expenditure	(i)	446	430	892	861
Allowance for doubtful debts	(i)	(268)	262	21	620
Property, plant and equipment written off	(i)	9	-	9	-
Depreciation	(i)	491	538	1,004	1,106
Interest expense					
- bank overdraft	(i)	4	17	24	43
- lease rental interest	(i)	25	38	56	75
- Term loan interest	(i)	2	-	5	-
Loss on foreign exchange					
- realised		42	10	96	30
- unrealised	(i)	(41)	(131)	35	12
Retirement benefits	(i)	10	-	20	-
Shares granted under ESS	(i)	-	-	135	-
And (crediting):					
Allowance for doubtful debts no longer required	(i)	(425)	25	(425)	-
Gain on disposal of investment	(i)	-	(280)	-	(280)
Gain on foreign exchange					
- realised		1	9	(3)	(33)
- unrealised	(i)	(137)	(77)	(498)	(599)
Interest income	(i)	(27)	(52)	(57)	(122)
Other income					
- miscellaneous		(69)	(824)	(327)	(972)

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

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021**B7. Taxation**

	Current quarter ended 30.06.2021 RM'000	Comparative quarter ended 30.06.2020 RM'000	Current year-to- date ended 30.06.2021 RM'000	Preceding year-to- date ended 30.06.2020 RM'000
In respect of the current year				
Malaysian income tax	304	(4)	386	19
Outside Malaysia	96	15	125	15
Underprovision in respect of prior years				
Outside Malaysia	108	16	108	16
Deferred taxation	(41)	54	(75)	(146)
	467	81	544	(96)

Malaysian segment's effective tax rate for the period is higher than the statutory tax rate primarily due to certain expenses not deductible for tax purposes and some of the loss-making companies under this segment are not qualified to recognise unabsorbed capital allowance and unutilised tax losses as deferred tax assets due to it is not probable that taxable profit will be available by these companies in foreseeable future to utilise these tax benefits. However, for Cambodia segment, a tax provision is recorded based on the 1% prepayment profit tax rate on net revenue. For Philippines segment, current year effective tax rate is lower than statutory tax rate mainly due to a portion of income is not subject to tax and the under-provision of income tax in the prior year is in connection with Philippines segment.

B8. Borrowings

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

	30.06.2021 RM'000	30.06.2020 RM'000
Non-current:		
Secured		
Term loan	324	-
Current:		
Secured		
Bank overdraft	-	971
Term loan	30	-
	30	971

The Group does not have any foreign currency borrowings as of 30 June 2021.

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

B9. Changes in material litigation

As at 19 August 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 30 September 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 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.

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

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 SECOND QUARTER ENDED 30 JUNE 2021

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 30 June 2021.

QUARTERLY REPORT FOR SECOND QUARTER ENDED 30 JUNE 2021

B11. Loss Per Share (“LPS”) attributable to Owners of the Company

	Current quarter ended 30.06.2021	Comparative quarter ended 30.06.2020	Current year-to-date ended 30.06.2021	Preceding year-to-date ended 30.06.2020
Basic LPS				
Loss attributable to Owners of the Company (RM'000)	(108)	(1,543)	(180)	(5,222)
Weighted average number of ordinary shares in issue ('000)	139,197	139,130	139,197	139,130
Basic LPS (sen)	(0.08)	(1.11)	(0.13)	(3.75)

Diluted loss per share is not computed as the Company does not have any convertible financial instruments as at 30 June 2021.

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 19 August 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 26 August 2021.

By Order of the Board

Phang Chee Leong
Executive Chairman

26 August 2021