

QUARTERLY REPORT FOR THE FOURTH QUARTER 2021
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Assets:		
Non-current assets		
Property, plant and equipment	1,139	1,445
Right-of-use assets	2,284	2,718
Intangible assets	4,436	5,011
Investment in an associate	705	508
Deferred tax assets	778	918
	9,342	10,600
Current assets		
Inventories	78	-
Trade receivables	37,520	37,148
Other receivables, deposits, contract assets and prepayments	6,595	6,611
Tax recoverable	-	730
Fixed deposits with licensed banks	2,780	2,254
Cash and bank balances	27,246	19,074
	74,219	65,817
Total Assets	83,561	76,417
Equity:		
Share capital	19,477	19,342
Reserves	19,299	15,903
Equity attributable to Owners of the Company	38,776	35,245
Non-controlling interests	1,712	1,730
Total Equity	40,488	36,975
Liabilities:		
Non-current liabilities		
Deferred tax liabilities	531	812
Lease liabilities	584	504
Retirement benefit obligations	503	689
Borrowings	309	337
	1,927	2,342

QUARTERLY REPORT FOR THE FOURTH QUARTER 2021**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (CONT'D)**

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Current liabilities		
Trade payables	26,272	24,690
Other payables, contract liabilities and accruals	13,255	9,686
Lease liabilities	741	1,248
Borrowings	31	1,312
Tax payable	847	164
	41,146	37,100
Total Liabilities	43,073	39,442
Total Equity and Liabilities	83,561	76,417
Net Assets per share attributable to Owners of the Company (sen)	27.83	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 FOURTH QUARTER 2021
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

		Current quarter ended	Comparative quarter ended	Current year-to-date ended	Preceding year-to-date ended
	Note	31.12.2021	31.12.2020	31.12.2021	31.12.2020
		RM'000	RM'000	RM'000	RM'000
Revenue		34,752	33,794	120,043	103,032
Direct costs		(16,619)	(16,799)	(69,354)	(60,824)
Gross profit		18,133	16,995	50,689	42,208
Other operating income		(577)	777	1,339	3,431
Other operating expenses		(14,294)	(12,459)	(46,617)	(45,256)
Profit from operations		3,262	5,313	5,411	383
Finance costs		(30)	(72)	(149)	(226)
Share of profit/(loss) in equity-accounted associates, net of tax		73	7	252	(387)
Profit/(Loss) before tax	B6	3,305	5,248	5,514	(230)
Taxation	B7	(1,005)	(949)	(2,197)	(1,094)
Profit/(Loss) after tax		2,300	4,299	3,317	(1,324)

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

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

(25)	(399)	(56)	(280)
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Share of other comprehensive income of equity-accounted associates

-	(248)	-	(248)
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Item that will not be reclassified subsequently to profit or loss:

Remeasurement of retirement benefit obligations

136	(37)	136	(37)
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Total Other Comprehensive Income/(Loss) for the period, net of tax

111	(684)	80	(565)
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Total Comprehensive Income/(Loss)

2,411	3,615	3,397	(1,889)
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QUARTERLY REPORT FOR THE FOURTH QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 DECEMBER 2021 (CONT'D)**

	Current quarter ended	Comparative quarter ended	Current year-to-date ended	Preceding year-to-date ended
Note	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Owners of the Company	2,071	4,312	3,365	(329)
Non-controlling interests	229	(13)	(48)	(995)
	2,300	4,299	3,317	(1,324)
Total Comprehensive Income/(Loss) attributable to:				
Owners of the Company	2,152	3,684	3,396	(786)
Non-controlling interests	259	(69)	1	(1,103)
	2,411	3,615	3,397	(1,889)
Earnings/(Loss) per share attributable to Owners of the Company (sen)				
Basic	1.49	3.10	2.41	(0.24)

(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 FOURTH QUARTER 2021
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Note	Current year-to-date ended 31.12.2021 RM'000	Preceding year-to-date ended 31.12.2020 RM'000
Cash Flows From Operating Activities			
Profit/(Loss) before tax		5,514	(230)
Adjustments for:			
Non-cash and non-operating items	B6(i)	3,655	3,854
Gain on lease modification		(18)	-
Share of (profit)/loss in equity-accounted associates, net of tax		(252)	387
Share-based payment		-	119
Operating profit before working capital changes		<u>8,899</u>	4,130
Increase in inventories		(78)	-
Increase in trade and other receivables, deposits and prepayments		(14)	(8,401)
Increase in trade and other payables, contract liabilities and accruals		<u>4,831</u>	4,400
Cash generated from operations		<u>13,638</u>	129
Income tax paid		(1,901)	(2,041)
Income tax refunded		934	112
Retirement benefit paid		-	(61)
Net cash from/(used in) operating activities		<u>12,671</u>	(1,861)
Cash Flows From Investing Activities			
Expenditure incurred on development expenditure		(1,459)	(1,569)
Withdrawals of fixed deposits pledged to licensed banks		16	30
Interest received		118	199
Proceeds from disposals of plant and equipment		2	-
Purchase of plant and equipment		(260)	(316)
Purchase of right-of-use assets		-	(437)
Repayment from associates		355	163
Proceeds from disposal of associate		-	364
Allotment of shares to non-controlling interest		-	127
Net cash used in investing activities		<u>(1,228)</u>	(1,439)
Cash Flows From Financing Activities			
Dividend paid to non-controlling interests		(19)	-
Interest paid		(40)	(70)
Repayment of lease liabilities		(1,435)	(1,545)
(Repayments)/Drawdown of term loans		(17)	357
Net cash used in financing activities		<u>(1,511)</u>	(1,258)
Net increase/(decrease) in Cash and Cash Equivalents		9,932	(4,558)
Effects of exchange rate changes		74	(361)
Cash and Cash Equivalents at beginning of period		18,042	22,961
Cash and Cash Equivalents at end of period		28,048	18,042

QUARTERLY REPORT FOR THE FOURTH QUARTER 2021**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021 (CONT'D)**

	Current year-to-date ended 31.12.2021 RM'000	Preceding year-to-date ended 31.12.2020 RM'000
Cash and Cash Equivalents comprised:		
Bank overdrafts	-	(1,292)
Cash and bank balances	27,246	19,074
Fixed deposits with licensed banks	2,780	2,254
	30,026	20,036
Less: fixed deposits pledged	(1,978)	(1,994)
	28,048	18,042

(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 FOURTH QUARTER 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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	RM'000	RM'000	RM'000
Balance as at 1.1.2021	19,342	(2,512)	(156)	-	18,571	35,245	1,730	36,975
Profit/(Loss) for the period	-	-	-	-	3,365	3,365	(48)	3,317
Other comprehensive (loss)/income	-	-	(74)	-	105	31	49	80
Total Comprehensive (Loss)/Income	-	-	(74)	-	3,470	3,396	1	3,397
Dividends paid to non-controlling interests	-	-	-	-	-	-	(19)	(19)
Issuance of ordinary shares pursuant to ESS (Note A6)	135	-	-	-	-	135	-	135
Total transaction with Owners and changes in ownership interests	135	-	-	-	-	135	(19)	116
Balance as at 31.12.2021	19,477	(2,512)	(230)	-	22,041	38,776	1,712	40,488
Balance as at 1.1.2020	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)
Total Comprehensive Loss	-	-	(185)	(248)	(353)	(786)	(1,103)	(1,889)
Allotment of shares to non-controlling interests	-	-	9	-	390	399	(154)	245
Total transaction with Owners and changes in ownership interests	-	-	9	-	390	399	(154)	245
Balance as at 31.12.2020	19,342	(2,512)	(156)	-	18,571	35,245	1,730	36,975

(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 FOURTH QUARTER ENDED 31 DECEMBER 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 MFRSs, interpretations and amendments to standards to be applied for the financial periods beginning on or after 1 January 2021:

a) New MFRSs 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
<i>Covid-19 Related Rent Concession beyond 30 June 2021</i> (Amendment to MFRS 16 <i>Leases</i>)	1 April 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 Improvements 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>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i> (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 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</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 2021**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

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 December 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	300,000	135,000
As at 31 December 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 31 December 2021.

A7. Dividends paid

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

	31 December 2021		31 December 2020	
	Closing rate	Average rate	Closing rate	Average rate
	RM	RM	RM	RM
1 Singapore Dollar	3.091	3.084	3.048	3.046
1 Hong Kong Dollar	0.535	0.533	0.520	0.542
1 Chinese Renminbi	0.656	0.642	0.617	0.609
1 US Dollar	4.171	4.144	4.029	4.202
100 Indonesian Rupiah	0.029	0.029	0.029	0.029
100 Thai Baht	-	12.970	-	13.430
100 Philippines Peso	8.168	8.411	8.389	8.470
100 Vietnamese Dong	0.018	0.018	0.017	0.018
100 New Taiwan Dollar	15.050	14.838	14.345	14.269
100 South Korean Won	0.351	0.362	0.371	0.356

QUARTERLY REPORT FOR THE FOURTH QUARTER 2021

A8. Segmental information (Cont'd)

Current year-to-date ended 31 December 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	48,260	13,757	14,465	5,380	17,791	12,625	5,222	383	2,119	41	-	120,043
Inter-segment revenue	5,232	22	218	276	233	73	93	-	10	-	(6,157)	-
Total revenue	53,492	13,779	14,683	5,656	18,024	12,698	5,315	383	2,129	41	(6,157)	120,043
<u>Segment Results</u>												
Results from operating activities	2,326	797	292	158	1,083	1,612	(466)	(104)	59	(135)	(211)	5,411
Finance costs	(77)	(31)	(114)	(3)	-	(32)	(63)	(8)	(22)	(10)	211	(149)
Share of profit in equity- accounted associates, net of tax	252	-	-	-	-	-	-	-	-	-	-	252
Profit/(Loss) before tax	2,501	766	178	155	1,083	1,580	(529)	(112)	37	(145)	-	5,514
Taxation	(1,348)	(59)	-	(256)	(97)	(405)	(12)	-	(20)	-	-	(2,197)
Profit/(Loss) after tax	1,153	707	178	(101)	986	1,175	(541)	(112)	17	(145)	-	3,317
Non-controlling interests	124	-	(38)	49	(210)	(59)	108	23	-	51	-	48
Profit/(Loss) attributable to Owners of the Company	1,277	707	140	(52)	776	1,116	(433)	(89)	17	(94)	-	3,365
<u>Assets</u>												
Segment assets	48,436	9,107	9,022	5,418	17,824	13,386	2,404	86	849	83	(23,054)	83,561
<u>Liabilities</u>												
Segment liabilities	21,999	4,157	9,848	4,258	4,046	7,722	8,239	971	894	712	(19,773)	43,073

QUARTERLY REPORT FOR THE FOURTH QUARTER 2021

A8. Segmental information (Cont'd)

Current year-to-date ended 31 December 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	4,461	80,360	18,552	33,380	-	150,105	35,193	105,734	511	10
Inter-segment revenue	7	1,213	950	438	-	868	628	-	2	-
Total revenue	4,468	81,573	19,502	33,818	-	150,973	35,821	105,734	513	10
<u>Segment Results</u>										
Results from operating activities	258	1,621	545	2,080	(40)	19,166	(3,143)	(28,663)	14	(32)
Finance costs	(10)	(631)	(11)	-	-	(385)	(423)	(2,346)	(5)	(2)
Profit/(Loss) before tax	248	990	534	2,080	(40)	18,781	(3,566)	(31,009)	9	(34)
Taxation	(19)	-	(881)	(183)	-	(4,817)	(83)	-	(5)	-
Profit/(Loss) after tax	229	990	(347)	1,897	(40)	13,964	(3,649)	(31,009)	4	(34)
Non-controlling interests	-	(210)	170	(394)	-	(703)	730	6,242	-	12
Profit/(Loss) attributable to Owners of the Company	229	780	(177)	1,503	(40)	13,261	(2,919)	(24,767)	4	(22)
<u>Assets</u>										
Segment assets	2,946	50,120	18,683	32,690	509	163,889	15,974	24,593	204	20
<u>Liabilities</u>										
Segment liabilities	1,345	54,711	14,681	6,474	888	94,540	54,747	276,583	214	171

QUARTERLY REPORT FOR THE FOURTH QUARTER 2021

A8. Segmental information (Cont'd)

Preceding year-to-date ended 31 December 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	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
Segment Results												
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)
Assets												
Segment assets	47,738	8,576	9,629	4,590	16,476	12,310	2,949	170	2,189	203	(28,413)	76,417
Liabilities												
Segment liabilities	20,460	4,167	10,587	3,383	4,074	7,373	7,987	990	2,249	670	(22,498)	39,442

QUARTERLY REPORT FOR THE FOURTH QUARTER 2021

A8. Segmental information (Cont'd)

Preceding 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
<u>Revenue</u>										
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
<u>Segment Results</u>										
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 equity-accounted associates, 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)
<u>Assets</u>										
Segment assets	2,814	56,641	15,829	31,036	546	146,738	20,559	45,709	543	50
<u>Liabilities</u>										
Segment liabilities	1,367	62,279	11,665	6,735	928	87,885	55,677	266,797	558	166

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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 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

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

The Directors are of the opinion that the Group has no contingent liabilities or contingent assets which, upon crystallisation would have a material impact on the financial position and business of the Group as at reporting date.

A13. Significant unrecognised contractual commitments

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 31.12.2021 <u>RM</u>	Preceding year-to-date ended 31.12.2020 <u>RM</u>
Sales of advertisement space	910,789	1,343,941
Purchase of advertisement space	271,549	691,471
Purchase of online recruitment services	3,089	-
Bookkeeping fees	17,200	12,000
Royalty fees	206,893	146,250
Management fees	240,899	475,323

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 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 31.12.2021 RM'000	Comparative quarter ended 31.12.2020 RM'000	% change	Current year-to-date ended 31.12.2021 RM'000	Preceding year-to-date ended 31.12.2020 RM'000	% change
Overall performance analysis						
Revenue	34,752	33,794	3%	120,043	103,032	17%
Profit from operations	3,262	5,313	(39%)	5,411	383	> 100%
Finance costs	(30)	(72)	(58%)	(149)	(226)	(34%)
Share of profit/(loss) of equity-accounted associates, net of tax	73	7	> 100%	252	(387)	> 100%
Profit/(Loss) before tax	3,305	5,248	(37%)	5,514	(230)	> 100%
Profit/(Loss) after tax	2,300	4,299	(46%)	3,317	(1,324)	> 100%
Profit/(Loss) attributable to Owners of the Company	2,071	4,312	(52%)	3,365	(329)	> 100%

Current Year-To-Date (“12M21”) compared with Preceding Year-To-Date (“12M20”)

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

In 12M21, The Group recorded a total revenue of RM120.04 million which is approximately 17% higher compared to revenue of RM103.03 million in 12M20. Despite market conditions surrounded by uncertain external factors, brands continued to increase digital advertising spending to capture the growth in online spending. Majority of the business units recorded higher revenue in 12M21 compared to 12M20, except for Hong Kong, South Korea, Cambodia and Myanmar. The turnaround from Loss Before Tax (“LBT”) in 12M20 to Profit Before Tax (“PBT”) in 12M21 was in tandem with the increase in revenue.

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

Other income

Other income has decreased by RM2.09 million or 61% to RM1.34 million in 12M21 comparing to RM3.43 million in 12M20. Absence of gain on the disposal of shareholdings and lesser support fee received from Fivestones Digital, absence of share of other reserve after disposing an associate company, I-DAC and expiry of Coronavirus Government Support Grant from Hong Kong and Singapore business units were the factors attributed to the reduced other income posted in 12M21 compared to 12M20.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2021

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

Current Year-To-Date ("12M21") compared with Preceding Year-To-Date ("12M20") (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 increased by approximately 3% or RM1.36 million to RM46.62 million in 12M21 from RM45.26 in 12M20.

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 2021 against 31 December 2020:

	Current year- to-date ended 31.12.2021 <u>RM'000</u>	Preceding year- to-date ended 31.12.2020 <u>RM'000</u>
Net cash generated from/(used in)		
- Operating activities	12,671	(1,861)
- Investing activities	(1,228)	(1,439)
- Financing activities	(1,511)	(1,258)
- Exchange difference	74	(361)
Net increase/(decrease) in cash and cash equivalents	10,006	(4,919)

The Group has cash and cash equivalents amounting to RM28.05 million as at 31 December 2021 as compared with RM18.04 million as at 31 December 2020. The debts to equity ratio as at 31 December 2021, decreased to 0.04 (12M20: 0.10).

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2021

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

Current Quarter ("4Q21") compared with Comparative Quarter of Preceding Year ("4Q20")

(i) Group's overview of Operating Segments

	Revenue from external customers			Profit/(Loss) before tax		
	Current quarter ended 31.12.2021 RM'000	Comparative quarter ended 31.12.2020 RM'000	% change	Current quarter ended 31.12.2021 RM'000	Comparative quarter ended 31.12.2020 RM'000	% change
Operating segments						
- Malaysia	14,271	13,138	9%	956	2,146	(55%)
- Singapore	3,440	5,064	(32%)	49	919	(95%)
- Vietnam	3,989	2,565	56%	283	351	(19%)
- Indonesia	1,961	962	> 100%	513	(749)	> 100%
- Hong Kong and China	5,409	4,770	13%	806	1,370	(41%)
- Philippines	3,830	4,296	(11%)	711	1,001	(29%)
- Taiwan	1,352	1,419	(5%)	(127)	(8)	> (100%)
- South Korea	41	197	(79%)	(20)	37	> (100%)
- Cambodia	449	1,284	(65%)	171	225	(24%)
- Myanmar	10	99	(90%)	(37)	(44)	16%
	34,752	33,794	3%	3,305	5,248	(37%)

The Group revenue for the quarter under review improved 3% to RM34.75 million from RM33.79 million in 4Q20. Malaysia, Vietnam, Indonesia and Hong Kong business units were the major contributors of the growth in group revenue. Despite an increase in group revenue, PBT dropped by 37% or RM1.94 million in 4Q21 compared to 4Q20. The decrease in PBT was mainly due to the increase in operating costs and absence of Coronavirus Government Support Funds recorded in other income in the period under review.

In 4Q21, Malaysia business unit's revenue grew by 9% or RM1.13 million to RM14.27 million from RM13.14 million in 4Q20, the business unit's pandemic adapting marketing approach has continued to drive higher advertising spending from both existing and new customers. Lower PBT of RM0.96 million was posted in 4Q21 compared with RM2.15 million in 4Q20, representing 55% or RM1.19 million decline in PBT, due to higher operating costs incurred.

Singapore business unit posted revenue and PBT of RM3.44 million and RM0.05 million respectively in 4Q21 as compared to revenue of RM5.06 million and PBT of RM0.92 million in 4Q20, representing RM1.62 million and RM0.87 million decrease in revenue and PBT. The lower revenue registered in 4Q21 was mainly due to lesser digital advertising spending from existing clientele. The decline in PBT was in line with the lower revenue achieved coupled with higher operating costs incurred.

For the period under review, Vietnam business unit's revenue rose to RM3.99 million, representing 56% or RM1.42 million increase in revenue compared to RM2.57 million revenue in 4Q20. The aggressive approach and product positioning adopted by the Vietnam sales team has consequently won repeated digital advertising spending from the existing clientele and new clientele. Despite higher revenue achieved in 4Q21, PBT dipped by 19% due to the lower product margin coupled with more operating costs recorded in the current quarter.

Indonesia segment's revenue grew more than double to RM1.96 and PBT was recorded at RM0.51 million for the current quarter as compared to revenue of RM0.96 million and LBT of RM0.75 million in the same quarter of previous financial year, Indonesia business unit received continued digital advertising spending from existing customers and additional revenue stream from a group of new customers with a mixture of small and large digital advertising spending. The turnaround result was attributed to the improved revenue coupled with higher product margin.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2021**BI. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)**

Current Quarter ("4Q21") compared with Comparative Quarter of Preceding Year ("4Q20") (Cont'd)

(i) Group's overview of Operating Segments (cont'd)

For the quarter under review, Hong Kong business unit's revenue increased by RM0.64 million or 13% to RM5.41 million in 4Q21 compared to RM4.77 million in 4Q20. Hong Kong's recovering economy is seeing a rapid rise in digital media consumption and in e-commerce. This has prompted big brands and especially small businesses to increase digital marketing activity. In 4Q21, Hong Kong business unit's PBT registered at RM0.81 million as compared to RM1.37 million in 4Q20. The decline in PBT was mainly due to the absence of Coronavirus Government Support Grant and higher operating costs posted in 4Q21. For China business unit, no business activities was recorded in the current quarter, it remains challenging as the business unit is still undergoing a period of sourcing its right business strategy to revive the market.

The Philippines posted revenue and PBT in 4Q21 at RM3.83 million and RM0.71 million as compared with revenue of RM4.30 million and PBT of RM1.00 million respectively in 4Q20, representing 11% and 29% decrease in revenue and PBT. The drop in revenue and PBT was mainly due to lower online advertising spending earned from existing customers despite additional revenue added from a few new customers and greater operating costs incurred in the period under review.

Taiwan segment's revenue dropped by 5% to RM1.35 million in 4Q21 from RM1.42 million in 4Q20. Despite lesser revenue registered in 4Q21, Taiwan business unit is slowly recovering from the sudden drop in revenue that happened in mid-May. Higher LBT of RM0.13 million was posted in current period compared to preceeding year corresponding period of RM8,000. This was mainly due to the increase in operating costs and lower foreign currency gained.

South Korea segment recorded a dip in revenue and incurred LBT for the quarter at RM41,000 and RM20,000 respectively as compared with the revenue and PBT in the preceding year of the same quarter of RM197,000 and RM37,000. The lower revenue reported in the current quarter was mainly due to the lower revenue earned from existing customers. LBT recorded was in tandem with the decline in revenue.

In 4Q21, Cambodia business unit recorded revenue and PBT of RM0.45 million and RM0.17 million respectively as compared to RM1.28 million in revenue and PBT of RM0.23 million in 4Q20, representing a drop of RM0.83 million or 65% in revenue and a decrease of RM0.05 million or 24% in PBT. Cambodia business unit's performance remains challenging in the current quarter as it is in the process of re-aligning the teams and rebuilding customers relationship. The segment expects to regain the local market share following the reopening of International border in November 2021 after long period of travel restriction. The decline in PBT was in tandem with the decrease in revenue.

Myanmar segment's economy continues to be affected by the crisis due to the ongoing military coup as well as the new waves of the coronavirus Omicron variant. In view of the challenges faced by Myanmar business unit, a minimal amount of RM10,000 revenue was recorded in 4Q21 as compared to RM99,000 in 4Q20, representing 90% or RM89,000 drop in revenue. Operating expenses was maintained at minimum, a 16% drop in LBT was posted in 4Q21 as compared to the corresponding quarter in the preceeding year.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2021

B2. Commentary on current quarter compared with immediate preceding quarter

Current Quarter (“4Q21”) compared with Comparative Quarter of Preceding Year (“4Q20”)

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

	Current quarter ended 31.12.2021 RM'000	Immediate preceding quarter ended 30.09.2021 RM'000	% change
Overall performance analysis			
Revenue	34,752	32,101	8%
Profit from operations	3,262	2,027	61%
Finance costs	(30)	(34)	(12%)
Share of profit in equity-accounted associates, net of tax	73	109	(33%)
Profit before tax	3,305	2,102	57%
Profit after tax	2,300	1,453	58%
Profit attributable to Owners of the Company	2,071	1,474	41%

For the fourth quarter ended 31 December 2021, the group's revenue rose to RM34.75 million from RM32.10 million, representing 8% increase in revenue. Generally all the segments contributed higher revenue in the current quarter except Singapore and South Korea business units as compared to the immediate preceding quarter in line with the Company cyclical nature of the business whereby advertisers tend to finish their advertising budget towards the year end.

The Group reported a PBT of RM3.31 million in the current quarter as compared to a PBT of RM2.10 million in the immediate preceding quarter. The improved PBT was due to higher product mix margin.

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

(a) Prospects for the financial year ending 31 December 2022

Global economic recovery continues to progress but momentum remains slow and uneven, which is likely driven by concerns around inequitable access to coronavirus vaccines. Nevertheless, the management continues to adopt 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 Media which will be an innovative combination of ads with digital commerce, social commerce, as well as influencer marketing to help advertisers, including SMEs better engage with their audience and drive better returns.

(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 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 31.12.2021 RM'000	Comparative quarter ended 31.12.2020 RM'000	Current year-to-date ended 31.12.2021 RM'000	Preceding year-to-date ended 31.12.2020 RM'000
Amortisation of development expenditure	(i)	435	430	1,778	1,722
Allowance for doubtful debts	(i)	23	371	56	579
Bad debt written off	(i)	(73)	13	-	13
Depreciation	(i)	434	661	1,911	2,139
Impairment of development expenditure	(i)	257	-	257	-
Interest expense					
- bank overdraft	(i)	1	19	29	68
- lease rental interest	(i)	27	51	109	156
- Term loan interest	(i)	3	1	12	1
Loss on foreign exchange					
- realised		8	79	116	126
- unrealised	(i)	(44)	31	26	107
Property, plant and equipment written off	(i)	-	-	9	-
Retirement benefits	(i)	(38)	1	(8)	98
Share-based payment		-	2	-	119
Shares granted under ESS	(i)	-	-	135	-
And (crediting):					
Allowance for doubtful debts no longer required	(i)	644	(6)	-	-
Gain on disposal of investment	(i)	-	-	-	(280)
Gain on disposal of plant and equipment, net	(i)	-	-	*	-
Gain on lease modification		-	-	(18)	-
Share of other reserves in associated company		-	(249)	-	(249)
Gain on foreign exchange					
- realised		(85)	(28)	(115)	(69)
- unrealised	(i)	135	94	(541)	(302)
Interest income	(i)	(34)	(37)	(118)	(199)
Other income					
- miscellaneous		(83)	(550)	(547)	(2,331)

(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 2021

B7. Taxation

	Current quarter ended 31.12.2021 RM'000	Comparative quarter ended 31.12.2020 RM'000	Current year-to- date ended 31.12.2021 RM'000	Preceding year-to- date ended 31.12.2020 RM'000
In respect of the current year				
Malaysian income tax	808	476	1,643	613
Outside Malaysia	423	384	665	407
Under/(over)provision in respect of prior years				
Malaysian income tax	13	57	13	57
Outside Malaysia	-	(10)	74	6
Deferred taxation	(239)	42	(198)	11
	1,005	949	2,197	1,094

The effective tax rate for the Group in 4Q21 registered at 30% compared to last year corresponding period of 18% in 4Q20, representing an increase of 12%. Lower effective tax rate of 40% was recorded in 12M21 compared to 12M20. Despite group losses was recorded in 12M20, a tax expenses was charged at taxable profits achieved in Malaysia, Hong Kong and Philippines business units.

The Group effective tax rate for the 12M21 and 4Q21 were higher than the statutory tax rate was mainly due to the following:

- i) Higher effective tax rate was reported in Malaysia and Indonesia business units compared to the statutory tax rate mainly due to certain expenses not deductible for tax purposes.
- ii) For Cambodia segment, a minimum tax rate of 1% on net revenue was imposed due to the pending application to local tax authority for the exemption approval.

B8. Borrowings

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

	Non-current RM'000	Current RM'000	Total RM'000
As at 31.12.2021			
Bank overdraft	-	-	-
Term loan	309	31	340
	309	31	340
As at 31.12.2020			
Bank overdraft	-	1,292	1,292
Term loan	337	20	357
	337	1,312	1,649

The Group does not have any foreign currency borrowings as of 31 December 2021.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2021

B9. Changes in material litigation

As at 17 February 2022 (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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2021.

QUARTERLY REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2021

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

	Current quarter ended 31.12.2021	Comparative quarter ended 31.12.2020	Current year-to-date ended 31.12.2021	Preceding year-to-date ended 31.12.2020
Basic EPS/(LPS)				
Profit/(Loss) attributable to Owners of the Company (RM'000)	2,071	4,312	3,365	(329)
Weighted average number of ordinary shares in issue ('000)	139,348	139,103	139,348	139,103
Basic EPS/(LPS) (sen)	1.49	3.10	2.41	(0.24)

Diluted earnings/(loss) per share is not computed as the Company does not have any convertible financial instruments as at 31 December 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 17 February 2022 (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 24 February 2022.

By Order of the Board

Phang Chee Leong
Executive Chairman

24 February 2022