

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MAR 2023**

	As at <b>31.03.2023</b> RM'000	As at 31.12.2022 RM'000
<b>Assets:</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,476	1,032
Right-of-use assets	4,584	3,706
Intangible assets	4,505	4,450
Investment in an associate	515	659
Deferred tax assets	703	703
	<b>11,783</b>	10,550
<b>Current assets</b>		
Inventories	31	35
Trade receivables	25,120	27,240
Other receivables, deposits, contract assets and prepayments	7,201	5,322
Tax recoverable	810	593
Fixed deposits with licensed banks	6,561	6,012
Cash and bank balances	28,172	29,427
	<b>67,895</b>	68,629
<b>Total Assets</b>	<b>79,678</b>	79,179
<b>Equity:</b>		
Share capital	19,477	19,477
Reserves	18,208	20,074
Equity attributable to Owners of the Company	<b>37,685</b>	39,551
Non-controlling interests	762	1,342
<b>Total Equity</b>	<b>38,447</b>	40,893
<b>Liabilities:</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	979	933
Lease liabilities	2,299	1,530
Retirement benefit obligations	487	442
Borrowings	269	278
	<b>4,034</b>	3,183

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MAR 2023 (CONT'D)**

	<b>As at 31.03.2023 RM'000</b>	As at 31.12.2022 RM'000
<b>Current liabilities</b>		
Trade payables	<b>23,706</b>	21,431
Other payables, contract liabilities and accruals	<b>10,520</b>	12,387
Lease liabilities	<b>1,343</b>	1,192
Borrowings	<b>1,371</b>	32
Tax payable	<b>257</b>	61
	<b>37,197</b>	35,103
<b>Total Liabilities</b>	<b>41,231</b>	<b>38,286</b>
<b>Total Equity and Liabilities</b>	<b>79,678</b>	79,179
<b>Net Assets per share attributable to Owners of the Company (sen)</b>	<b>27</b>	28.37

(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 2022)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 MAR 2023**

		<b>Current quarter ended</b>	Comparative quarter ended	<b>Current year-to-date ended</b>	Preceding year-to-date ended
	Note	<b>31.03.2023</b>	31.03.2022	<b>31.03.2023</b>	31.03.2022
		<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Revenue</b>		<b>28,264</b>	32,712	<b>28,264</b>	32,712
Direct costs		<b>(17,182)</b>	(20,352)	<b>(17,182)</b>	(20,352)
Gross profit		<b>11,082</b>	12,360	<b>11,082</b>	12,360
Other operating income		<b>348</b>	305	<b>348</b>	305
Other operating expenses		<b>(13,404)</b>	(12,213)	<b>(13,404)</b>	(12,213)
(Loss)/profit from operations		<b>(1,974)</b>	452	<b>(1,974)</b>	452
Finance costs		<b>(43)</b>	(36)	<b>(43)</b>	(36)
Share of (loss)/profit in equity-accounted associates, net of tax		<b>(153)</b>	13	<b>(153)</b>	13
<b>(Loss)/profit before tax</b>	B6	<b>(2,170)</b>	429	<b>(2,170)</b>	429
Taxation	B7	<b>(259)</b>	(464)	<b>(259)</b>	(464)
<b>Loss after tax</b>		<b>(2,429)</b>	(35)	<b>(2,429)</b>	(35)

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

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

Foreign currency translation

(17)	144	(17)	144
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*Item that will not be reclassified subsequently  
to profit or loss:*

Remeasurement of retirement benefit obligations

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**Total Other Comprehensive (loss)/income  
for the period, net of tax**

(17)	144	(17)	144
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**Total Comprehensive (loss)/income**

(2,446)	109	(2,446)	109
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**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 MAR 2023 (CONT'D)**

	<b>Current quarter ended</b>	Comparative quarter ended	<b>Current year-to-date ended</b>	Preceding year-to-date ended
Note	<b>31.03.2023 RM'000</b>	31.03.2022 RM'000	<b>31.03.2023 RM'000</b>	31.03.2022 RM'000
<b>(Loss)/profit attributable to:</b>				
Owners of the Company	<b>(1,904)</b>	242	<b>(1,904)</b>	242
Non-controlling interests	<b>(525)</b>	(277)	<b>(525)</b>	(277)
	<b>(2,429)</b>	(35)	<b>(2,429)</b>	(35)
<b>Total Comprehensive (loss)/profit attributable to:</b>				
Owners of the Company	<b>(1,866)</b>	357	<b>(1,866)</b>	357
Non-controlling interests	<b>(580)</b>	(248)	<b>(580)</b>	(248)
	<b>(2,446)</b>	109	<b>(2,446)</b>	109
<b>(Loss)/earning per share attributable to Owners of the Company (sen)</b>				
Basic	<b>(1.37)</b>	0.17	<b>(1)</b>	0.17

(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 2022)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MAR 2023**

	Note	Current year-to-date ended 31.03.2023 RM'000	Preceding year-to-date ended 31.03.2022 RM'000
<b>Cash Flows From Operating Activities</b>			
(Loss)/Profit before tax		(2,170)	429
Adjustments for:			
Non-cash and non-operating items	B6(i)	798	1,084
Share of loss/(profit) in equity-accounted associates, net of tax		153	(13)
Operating (loss)/profit before working capital changes		<u>(1,219)</u>	1,500
Decrease/(Increase) in inventories		4	(6)
Decrease in trade and other receivables, deposits and prepayments		526	1,437
Increase/(Decrease) in trade and other payables, contract liabilities and accruals		55	(2,415)
Cash (used in)/generated from operations		<u>(634)</u>	516
Income tax paid		(217)	(314)
Net cash (outflow)/inflow from operating activities		<u>(851)</u>	202
<b>Cash Flows From Investing Activities</b>			
Expenditure incurred on development expenditure		(423)	(490)
Withdrawals/(Placements) of fixed deposits pledged to licensed banks		134	(4)
Interest received		25	26
Purchase of plant and equipment		(555)	(85)
Advance to associates		(40)	(165)
Net cash (used in) investing activities		<u>(859)</u>	(718)
<b>Cash Flows From Financing Activities</b>			
Interest paid		(8)	(14)
Repayment of lease liabilities		(313)	(314)
Repayments of term loans		(8)	(8)
Net cash (used in) financing activities		<u>(329)</u>	(336)
<b>Net decrease in Cash and Cash Equivalents</b>		<b>(2,039)</b>	<b>(852)</b>
Effects of exchange rate changes		149	200
<b>Cash and Cash Equivalents at beginning of period</b>		<b>29,427</b>	<b>28,050</b>
<b>Cash and Cash Equivalents at end of period</b>		<b><u>27,537</u></b>	<b><u>27,398</u></b>

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MAR 2023 (CONT'D)**

	Note	Current year-to-date ended 31.03.2023 RM'000	Preceding year-to-date ended 31.03.2022 RM'000
<b>Cash and Cash Equivalents comprised:</b>			
Bank overdrafts		(1,339)	(1,009)
Cash and bank balances		28,172	28,139
Fixed deposits with licensed banks		6,561	2,250
		<u>33,394</u>	<u>29,380</u>
Less: fixed deposits pledged		(1,922)	(1,982)
Less: Fixed deposit maturity period more than 3 months		(3,935)	-
		<u>27,537</u>	<u>27,398</u>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2022)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MAR 2023**

	Attributable to Owners of the Company							Total equity
	Share capital	Reverse acquisition reserve	Foreign exchange reserve	Other reserves	Retained profits	Total	Non-controlling interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance as at 1.1.2023</b>	<b>19,477</b>	<b>(2,512)</b>	<b>737</b>	<b>-</b>	<b>21,849</b>	<b>39,551</b>	<b>1,342</b>	<b>40,893</b>
Loss for the period	-	-	-	-	(1,904)	(1,904)	(525)	(2,429)
Other comprehensive income/(loss)	-	-	38	-	-	38	(55)	(17)
<b>Total Comprehensive Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>(1,904)</b>	<b>(1,866)</b>	<b>(580)</b>	<b>(2,446)</b>
<b>Balance as at 31.03.2023</b>	<b>19,477</b>	<b>(2,512)</b>	<b>775</b>	<b>-</b>	<b>19,945</b>	<b>37,685</b>	<b>762</b>	<b>38,447</b>
<b>Balance as at 1.1.2022</b>	<b>19,477</b>	<b>(2,512)</b>	<b>(223)</b>	<b>-</b>	<b>21,798</b>	<b>38,540</b>	<b>1,700</b>	<b>40,240</b>
Profit/(Loss) for the period	-	-	-	-	242	242	(277)	(35)
Other comprehensive income	-	-	115	-	-	115	29	144
<b>Total Comprehensive Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>-</b>	<b>242</b>	<b>357</b>	<b>(248)</b>	<b>109</b>
<b>Balance as at 31.03.2022</b>	<b>19,477</b>	<b>(2,512)</b>	<b>(108)</b>	<b>-</b>	<b>22,040</b>	<b>38,897</b>	<b>1,452</b>	<b>40,349</b>

(The accompanying explanatory notes form an integral part of this quarterly report and should be read in conjunction with the audited financial statements for the year ended 31 December 2022)

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

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 2022 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 2022.

**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 2022 except for the newly-issued MFRSs, interpretations and amendments to standards to be applied for the financial periods beginning on or after 1 January 2023:

**a) New MFRSs effective for annual period beginning on or after 1 January 2023**

The Group adopted the following Amendments to the Standards effective from the current quarter 2023, that are mandatory for annual periods beginning on or after 1 January 2023.

<b>Title</b>	<b>Effective date</b>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
<i>Amendments to MFRS 112 Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

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 2024**

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.

<b>Title</b>	<b>Effective date</b>
<i>Amendments to MFRS 101 Non-current liabilities with Covenants</i>	1 January 2024
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to MFRS 16 Lease Liability in a Sale and Leaseback</i>	1 January 2024
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group 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 THE FIRST QUARTER 2023**

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

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

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

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

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

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

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

There were no issuance, cancellations, repurchases, resales and repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and current year-to-date ended 31 March 2023.

**A7. Dividends paid**

There were no dividend paid by the Company during the current quarter and current year-to-date ended 31 March 2023.

**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 THE FIRST QUARTER 2023**

**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 March 2023		31 March 2022	
	Closing rate	Average rate	Closing rate	Average rate
	RM	RM	RM	RM
1 Singapore Dollar	3.320	3.292	3.105	3.100
1 Hong Kong Dollar	0.562	0.560	0.537	0.537
1 Chinese Renminbi	0.643	0.641	0.663	0.660
1 US Dollar	4.413	4.389	4.204	4.192
100 Indonesian Rupiah	0.029	0.029	0.029	0.029
100 Thai Baht	-	12.940	-	12.690
100 Philippines Peso	8.127	8.005	8.111	8.130
100 Vietnamese Dong	0.019	0.019	0.018	0.018
100 New Taiwan Dollar	14.471	14.432	14.684	14.976
100 South Korean Won	0.339	0.344	0.347	0.348

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

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

Current year-to-date ended 31 March 2023

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'001	South Korea RM'000	Cambodia RM'000	Myanmar RM'000	Inter- segment eliminations RM'000	Group RM'000
<b>Revenue</b>												
Revenue from external customers	14,222	2,569	3,226	748	3,434	3,294	458	-	313	-	-	28,264
Inter-segment revenue	1,341	60	-	85	14	163	-	-	-	-	(1,663)	-
Total revenue	15,563	2,629	3,226	833	3,448	3,457	458	-	313	-	(1,663)	28,264
<b>Segment Results</b>												
Results from operating activities	(468)	(106)	(220)	(409)	(751)	470	(334)	-	(61)	(25)	(69)	(1,973)
Finance costs	(15)	(6)	(31)	(1)	(19)	(2)	(35)	-	-	(4)	69	(44)
Share of loss in equity- accounted associates, net of tax	(153)	-	-	-	-	-	-	-	-	-	-	(153)
Profit/(Loss) before tax	(636)	(112)	(251)	(410)	(770)	468	(369)	-	(61)	(29)	-	(2,170)
Taxation	(98)	-	-	-	-	(161)	-	-	-	-	-	(259)
Profit/(Loss) after tax	(734)	(112)	(251)	(410)	(770)	307	(369)	-	(61)	(29)	-	(2,429)
Non-controlling interests	50	-	52	201	153	(15)	74	-	-	10	-	525
Profit/(Loss) attributable to Owners of the Company	(684)	(112)	(199)	(209)	(617)	292	(295)	-	(61)	(19)	-	(1,904)
<b>Assets</b>												
Segment assets	46,585	7,149	10,683	3,275	20,231	14,280	1,398	-	409	67	(24,399)	79,678
<b>Liabilities</b>												
Segment liabilities	21,093	2,789	11,405	3,863	5,490	8,643	8,496	-	523	888	(21,959)	41,231

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

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

Current year-to-date ended 31 March 2023 (cont'd)

Operating Segments (cont'd)

	Singapore SGD'000	Vietnam VND'Mil	Indonesia IDR'Mil	Hong Kong HKD'000	China CNY'000	Philippines PHP'000	Taiwan TWD'000	South Korea KRW'000	Cambodia USD'000	Myanmar USD'000
<b><u>Revenue</u></b>										
Revenue from external customers	780	16,979	2,579	6,133	-	41,145	3,174	-	71	-
Inter-segment revenue	18	-	293	25	-	2,037	-	-	-	-
Total revenue	798	16,979	2,872	6,158	-	43,182	3,174	-	71	-
<b><u>Segment Results</u></b>										
Results from operating activities	(32)	(1,160)	(1,411)	(1,333)	(8)	5,876	(2,314)	-	(14)	(6)
Finance costs	(2)	(161)	(3)	(35)	-	(25)	(245)	-	-	(1)
(Loss)/Profit before tax	(34)	(1,321)	(1,414)	(1,368)	(8)	5,851	(2,559)	-	(14)	(7)
Taxation	-	-	-	-	-	(2,006)	-	-	-	-
(Loss)/Profit after tax	(34)	(1,321)	(1,414)	(1,368)	(8)	3,845	(2,559)	-	(14)	(7)
Non-controlling interests	-	275	693	273	-	(192)	512	-	-	2
(Loss)/Profit attributable to Owners of the Company	(34)	(1,046)	(721)	(1,095)	(8)	3,653	(2,047)	-	(14)	(5)
<b><u>Assets</u></b>										
Segment assets	2,153	56,227	11,294	35,392	530	175,705	9,664	191	93	15
<b><u>Liabilities</u></b>										
Segment liabilities	840	60,029	13,321	8,735	904	106,354	58,708	-	118	201

**QUARTERLY REPORT FOR THE FIRST QUARTER 2022**

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

**Preceding year-to-date ended 31 March 2022**

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'001	South Korea RM'000	Cambodia RM'000	Myanmar RM'000	segment eliminations RM'000	Group RM'000
<b><u>Revenue</u></b>												
Revenue from external customers	14,133	3,193	5,244	1,027	3,526	3,684	1,527	49	327	2	-	32,712
Inter-segment revenue	1,590	59	45	76	43	17	28	-	-	-	(1,858)	-
Total revenue	15,723	3,252	5,289	1,103	3,569	3,701	1,555	49	327	2	(1,858)	32,712
<b><u>Segment Results</u></b>												
Results from operating activities	748	169	81	(381)	(49)	321	(289)	(12)	(53)	(30)	(53)	452
Finance costs	(22)	(8)	(16)	(2)	-	(3)	(30)	(2)	(3)	(3)	53	(36)
Share of profit in equity- accounted associates, net of tax	13	-	-	-	-	-	-	-	-	-	-	13
Profit/(Loss) before tax	739	161	65	(383)	(49)	318	(319)	(14)	(56)	(33)	-	429
Taxation	(364)	(18)	-	-	-	(79)	-	-	(3)	-	-	(464)
Profit/(Loss) after tax	375	143	65	(383)	(49)	239	(319)	(14)	(59)	(33)	-	(35)
Non-controlling interests	26	-	(14)	188	11	(12)	64	3	-	11	-	277
Profit/(Loss) attributable to Owners of the Company	401	143	51	(195)	(38)	227	(255)	(11)	(59)	(22)	-	242
<b><u>Assets</u></b>												
Segment assets	49,028	9,147	10,135	4,962	17,753	13,654	2,146	67	802	62	(25,264)	82,492
<b><u>Liabilities</u></b>												
Segment liabilities	22,182	4,030	10,903	4,224	4,017	8,003	8,149	956	907	728	(21,956)	42,143

**QUARTERLY REPORT FOR THE FIRST QUARTER 2022**

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

Preceding year-to-date ended 31 March 2022 (cont'd)

Operating Segments (cont'd)

	Singapore SGD'000	Vietnam VND'Mil	Indonesia IDR'Mil	Hong Kong HKD'000	China CNY'000	Philippines PHP'000	Taiwan TWD'000	South Korea KRW'000	Cambodia USD'000	Myanmar USD'000
<b><u>Revenue</u></b>										
Revenue from external customers	1,030	29,132	3,541	6,566	-	45,318	10,197	13,992	78	1
Inter-segment revenue	19	249	262	81	-	210	187	-	-	-
Total revenue	1,049	29,381	3,803	6,647	-	45,528	10,384	13,992	78	1
<b><u>Segment Results</u></b>										
Results from operating activities	54	450	(1,313)	(99)	6	3,953	(1,928)	(3,586)	(13)	(7)
Finance costs	(3)	(86)	(7)	-	-	(42)	(199)	(628)	(1)	(1)
Profit/(Loss) before tax	51	364	(1,320)	(99)	6	3,911	(2,127)	(4,214)	(14)	(8)
Taxation	(6)	-	-	-	-	(976)	-	-	(1)	-
Profit/(Loss) after tax	45	364	(1,320)	(99)	6	2,935	(2,127)	(4,214)	(15)	(8)
Non-controlling interests	-	(76)	647	20	-	(147)	425	848	-	3
Profit/(Loss) attributable to Owners of the Company	45	288	(673)	(79)	6	2,788	(1,702)	(3,366)	(15)	(5)
<b><u>Assets</u></b>										
Segment assets	2,946	56,305	17,112	32,433	508	168,339	14,611	19,339	191	15
<b><u>Liabilities</u></b>										
Segment liabilities	1,298	60,570	14,564	6,403	873	98,667	55,498	275,559	216	173

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**A9. Valuation of property, plant and equipment**

There were no valuation of property, plant and equipment in the current quarter and current year-to-date ended 31 March 2023.

**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**

Innity Korea Co., Ltd, a 80% owned subsidiary of Innity Corporation Berhad has completed its dissolution with the attainment of business closure certificate on 10 April 2023 with no material financial impact to the Group.

**A12. Changes in contingent liabilities or contingent assets**

The Directors are of the opinion that the Group having the following contingent liabilities which, upon crystallisation would impact on the financial position and business of the Group as at reporting date.

	RM'000
Guarantees given to third parties in respect of trade performance of subsidiaries	130
Guarantees given to financial institutions in respect of credit facilities	2,557
	2,687

**A13. Significant unrecognised contractual commitments**

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

**A14. Significant related party transactions**

The following were the significant related party transactions:-

	<b>Current year-to-date ended 31.03.2023 <u>RM</u></b>	Preceding year-to-date ended 31.03.2022 <u>RM</u>
Sales of advertisement space	226,252	270,747
Purchase of advertisement space and others	23,675	131,769
Royalty fees	20,943	42,876
Management fees	80,854	72,972
	80,854	72,972

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 THE FIRST QUARTER 2023****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:

	<b>Current quarter ended 31.03.2023 RM'000</b>	Comparative quarter ended 31.03.2022 RM'000	% change	<b>Current year-to-date ended 31.03.2023 RM'000</b>	Preceding year-to-date ended 31.03.2022 RM'000	% change
<b>Overall performance analysis</b>						
Revenue	<b>28,264</b>	32,712	(14%)	<b>28,264</b>	32,712	(14%)
(Loss)/profit from operations	<b>(1,974)</b>	452	>(100%)	<b>(1,974)</b>	452	>(100%)
Finance costs	<b>(43)</b>	(36)	(19%)	<b>(43)</b>	(36)	(19%)
Share of (loss)/profit of equity-accounted associates, net of tax	<b>(153)</b>	13	>(100%)	<b>(153)</b>	13	>(100%)
(Loss)/profit before tax	<b>(2,170)</b>	429	>(100%)	<b>(2,170)</b>	429	>(100%)
(Loss)/profit after tax	<b>(2,429)</b>	(35)	>(100%)	<b>(2,429)</b>	(35)	>(100%)
(Loss)/profit attributable to Owners of the Company	<b>(1,904)</b>	242	>(100%)	<b>(1,904)</b>	242	>(100%)

*Current Year-To-Date (“3M23”) compared with Preceding Year-To-Date (“3M22”)*

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

Global and local brands continued adopting cautious advertising spending behaviour in view of the fears of the broad-based global recession, leading to overall growth tapering into the first quarter of 2023. As a result, group's revenue dropped by 14% comparing 3M23 against 3M22. Malaysia business unit is among the business units that contributed positive growth to the group revenue. In the first three (3) months of 2023, the group recorded a loss before tax (“LBT”) of RM2.17 million, with approximately six folds drop in PBT as compared to the same period in year 2022. This was mainly due to lower revenue and higher other operating expenses incurred in the period under review.

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

Other income has increased by RM0.04 million or 14% to RM0.35 million in 3M23 compared with RM0.31 million in 3M22. The increase in other income was mainly due from a higher unrealised foreign exchange gain registered in the current quarter.



**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

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

*Current Year-To-Date (“3M23”) compared with Preceding Year-To-Date (“3M22”) (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 10% or RM1.19 million to RM13.40 million in 3M23 from RM12.21 million in 3M22.

**Group’s overview of Liquidity and Financial Ratio**

The Group’s principal sources of liquidity are cash from operations, receivable factoring and overdrafts.

The following summarises the various sources of cash flows as at 31 March 2023 against 31 March 2022:

	<b>Current year- to-date ended 31.03.2023 <u>RM'000</u></b>	Preceding year- to-date ended 31.03.2022 <u>RM'000</u>
Net cash generated from/(used in)		
- Operating activities	(851)	202
- Investing activities	(859)	(718)
- Financing activities	(329)	(336)
- Exchange difference	149	200
Net decrease in cash and cash equivalents	<u>(1,890)</u>	<u>(652)</u>

Group cash and cash equivalents of RM27.50 million was recorded as at 31 March 2023 as compared to RM27.40 million as at 31 March 2022. The debts to equity ratio as at 31 March 2023 has increased to 0.14 (3M22: 0.07).

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023****B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)***Current Quarter ("1Q23") compared with Comparative Quarter of Preceding Year ("1Q22")***(i) Group's overview of Operating Segments**

	Revenue from external customers			Profit/(Loss) before tax		
	Current quarter ended 31.03.2023 RM'000	Comparative quarter ended 31.03.2022 RM'000	% change	Current quarter ended 31.03.2023 RM'000	Comparative quarter ended 31.03.2022 RM'000	% change
<b>Operating segments</b>						
- Malaysia	14,222	14,133	1%	(636)	739	>(100%)
- Singapore	2,569	3,193	(20%)	(112)	161	>(100%)
- Vietnam	3,226	5,244	(38%)	(251)	65	>(100%)
- Indonesia	748	1,027	(27%)	(410)	(383)	(7%)
- Hong Kong and China	3,434	3,526	(3%)	(770)	(49)	>(100%)
- Philippines	3,294	3,684	(11%)	468	318	47%
- Taiwan	458	1,527	(70%)	(369)	(319)	(16%)
- South Korea	-	49	(100%)	-	(14)	100%
- Cambodia	313	327	(4%)	(61)	(56)	(9%)
- Myanmar	-	2	(100%)	(29)	(33)	12%
	<b>28,264</b>	<b>32,712</b>	<b>(14%)</b>	<b>(2,170)</b>	<b>429</b>	<b>&gt;(100%)</b>

For the quarter under review, Malaysia's business rebounded from the spending decline in the second half of 2022 amidst global economic uncertainty. Clients from the tourism, travel and entertainment industries began their marketing activities following the post-covid recovery and regulatory relaxation in April 2022. With the present of these industries' advertising spending, the business unit registered an increase of 1% in revenue compared to 1Q22. The business unit registered a LBT of RM0.64 million in the current quarter as compared to PBT of RM0.74 million in the same quarter in the preceding year. The adverse performance was mainly due to the higher product costing coupled with higher other operating expenses.

Singapore's business unit continued to be affected by the overall market condition and slowdown in demand across industries. In 1Q23, revenue dropped by 20% or RM0.62 million and LBT of RM0.11 million was incurred in the current quarter as compared to PBT of RM0.16 million in 1Q22. The negative results were in tandem with the lower revenue achieved.

In the quarter under review, Vietnam business unit's revenue dipped to RM3.23 million from RM5.24 million compared to the corresponding quarter in the preceding year. The drop in revenue was mainly due to the reduced advertising spending from existing clientele where advertisers adopted more cautious spending in midst of the challenging economic headwinds. LBT of RM0.25 million was recorded in 1Q23 as compared to RM65,000 PBT achieved in 1Q22, the negative performance was in tandem with the lower revenue.

Indonesia business unit's revenue declined to RM0.75 million in 1Q23 from RM1.03 million in 1Q22, representing 27% or RM0.28 million decrease in revenue. The business unit received lower advertising spending from existing customers in 1Q23 as compared to 1Q22 as advertisers are spending more cautiously amid the emerging challenges that are holding back the recovery. The higher LBT of RM0.41 million that was incurred in the current quarter was mainly due to higher other operating expenses and achieving a lower revenue.

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

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

*Current Quarter ("1Q23") compared with Comparative Quarter of Preceding Year ("1Q22") (Cont'd)*

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

In 1Q23, Hong Kong business unit continued to be affected by the market sentiments for fear of recession. Advertisers spending remained cautious, leading to a marginal drop in revenue by 3% or RM92,000. Lower product margin and higher other operating costs incurred in the current period contributed to the higher LBT for the business unit. China's growth outlook remained challenging, stemming from uncertainty of the trajectory pandemic, highly uncertain global growth prospect and heightened geopolitical tension. Due to these multiple factors, China's business has been put at a pause.

For the 1Q23, The Philippines business unit started slow in the first month of the quarter and slowly picked up in the second month and continued to perform better in the third month. Despite catching up in the later months, the business unit's revenue still registered a decline compared to the same quarter in 2022. Representing 11% or RM0.39 million drop in revenue. Despite a drop in revenue and higher other operating expenses incurred in 1Q23, PBT improved by 47% or RM0.15 million. This was mainly due to the higher product margin produced in the current quarter.

Taiwan business unit has suffered from negative GDP growth for two consecutive quarters and advertisers are cutting marketing budget in view of the economy uncertainty. The business unit posted a negative growth with a 70% drop in revenue. This has consequently led to a higher LBT in the current quarter as compared to the same quarter in 2022.

In 1Q23, South Korea business unit has ceased business effective from June 2022. No revenue and PBT were recorded in 1Q23 as compared to RM0.05 million revenue and LBT of RM14,000 respectively posted in 1Q22.

For 1Q23, similar revenue trend was recorded in Cambodia business unit as compared to 1Q22. Lower revenue was recorded in 1Q23 at RM0.31 million as compared with revenue of RM0.33 million in 1Q22, representing a marginal drop of 4% in revenue. The business unit is in the midst of rebuilding a stronger sales team and equipping them with product knowledge to increase the revenue. LBT increased by 9% quarter-on-quarter, which was mainly due to the lower product margin generated in the current quarter.

Myanmar's economy remains significantly uncertain, with ongoing conflict disrupting business operations. With such discouraging business environment, the business unit did not contribute revenue in the current quarter as compared to RM2,000 revenue generated in the corresponding quarter in the preceding year. As a result, the business unit incurred RM29,000 LBT in 1Q23 as compared to LBT of RM33,000 in 1Q22.

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**
**B2. Commentary on current quarter compared with immediate preceding quarter**

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

	<b>Current quarter ended 31.03.2023 RM'000</b>	Immediate preceding quarter ended 31.12.2022 RM'000	% change
<b>Overall performance analysis</b>			
Revenue	<b>28,264</b>	27,252	4%
(Loss)/profit from operations	<b>(1,974)</b>	400	>(100%)
Finance costs	<b>(43)</b>	(30)	43%
Share of (loss)/profit in equity-accounted associates, net of tax	<b>(153)</b>	117	>(100%)
(Loss)/profit before tax	<b>(2,170)</b>	487	>(100%)
(Loss)/profit after tax	<b>(2,429)</b>	415	>(100%)
(Loss)/profit attributable to Owners of the Company	<b>(1,904)</b>	406	>(100%)

Despite the challenging macroeconomy environment, Malaysia, Singapore and Cambodia business units managed to produce a solid advertising spending growth of 45%,11% and 13% in 1Q23 respectively compared to immediate preceeding quarter in 4Q22. Leading to an overall improvement of 4% in group revenue. However a LBT was registered in 1Q23, mainly due to the higher media cost produced in the current period.

**B3. Commentary on current year prospects and progress on previously announced revenue or profit forecast**
**(a) Prospects for the financial year ending 31 December 2023**

The global economy continues to face steep challenges, shaped by the Russian invasion of Ukraine, cost of living crisis caused by persistent and broadening inflation pressures and the lingering covid-19 pandemic all weighed heavily on the economic outlook. The directors are of the opinion that the Group's prospects for the financial year ending 31 December 2023 would be challenging as advertisers would remain cautious in light of economic uncertainty. Nevertheless, the management continues to maintain sustainable business by delivering 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 THE FIRST QUARTER 2023****B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced**

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

**B5. Profit forecast/profit guarantee previously announced**

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

**B6. (Loss)/profit before tax**

<b>(Loss)/Profit before tax is arrived at after charging:</b>	<b>Note</b>	<b>Current quarter ended 31.03.2023 RM'000</b>	<b>Comparative quarter ended 31.03.2022 RM'000</b>	<b>Current year-to-date ended 31.03.2023 RM'000</b>	<b>Preceding year-to-date ended 31.03.2022 RM'000</b>
Amortisation of development expenditure	(i)	<b>368</b>	396	<b>368</b>	396
Depreciation	(i)	<b>472</b>	428	<b>472</b>	428
Impairment loss on financial assets					
- trade receivable	(i)	<b>97</b>	207	<b>97</b>	207
Interest expense					
- bank overdraft	(i)	<b>4</b>	11	<b>4</b>	11
- lease rental interest	(i)	<b>36</b>	22	<b>36</b>	22
- Term loan interest	(i)	<b>3</b>	3	<b>3</b>	3
Loss on foreign exchange					
- realised		<b>49</b>	40	<b>49</b>	40
- unrealised	(i)	<b>73</b>	225	<b>73</b>	225
Loss on lease modification	(i)	<b>22</b>	-	<b>22</b>	-
Retirement benefits	(i)	<b>29</b>	5	<b>29</b>	5
<b>And (crediting):</b>					
Gain on foreign exchange					
- realised		<b>(25)</b>	(18)	<b>(25)</b>	(18)
- unrealised	(i)	<b>(257)</b>	(179)	<b>(257)</b>	(179)
Interest income	(i)	<b>(25)</b>	(26)	<b>(25)</b>	(26)
Other income					
Reversal of impairment losses on financial assets					
- trade receivable	(i)	<b>(24)</b>	(8)	<b>(24)</b>	(8)
Miscellaneous		<b>(17)</b>	(74)	<b>(17)</b>	(74)

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

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**B7. Taxation**

	<b>Current quarter ended 31.03.2023 RM'000</b>	Comparative quarter ended 31.03.2022 RM'000	<b>Current year-to- date ended 31.03.2023 RM'000</b>	Preceding year-to- date ended 31.03.2022 RM'000
In respect of the current year				
Income tax				
Malaysia	33	55	33	55
Outside Malaysia	161	100	161	100
Deferred taxation	65	309	65	309
	<b>259</b>	464	<b>259</b>	464

Group effective tax rate in 1Q23 were higher than the statutory tax rate was mainly due to the following:

- i) In 1Q23, Malaysia business unit's effective tax rate is higher than the statutory tax rate in the profitable subsidiaries, this was mainly due to prior year deferred tax liability that is payable in future period in respect of taxable temporary differences;
- ii) Philippines effective tax rate was higher than the statutory tax rate in 1Q23, the higher effective tax rate recorded in Philippines business unit was due to certain expenses not deductible for tax purposes.

**B8. Borrowings**

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

	<b>Non-current RM'000</b>	<b>Current RM'000</b>	<b>Total RM'000</b>
Secured:-			
As at 31.03.2023			
Bank overdraft	-	1,339	1,339
Term loan	269	32	301
	<b>269</b>	<b>1,371</b>	<b>1,640</b>
As at 31.03.2022			
Bank overdraft	-	1,009	1,009
Term loan	301	31	332
	<b>301</b>	<b>1,040</b>	<b>1,341</b>

The Group does not have any foreign currency borrowings as of 31 March 2023.

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**

**B9. Changes in material litigation**

As at 17 May 2023 (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 THE FIRST QUARTER 2023**

**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 THE FIRST QUARTER 2023**

**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.

On 27 May 2022, ICCL received a notice of dividend from the Joint and Several Liquidator of the Defendant, KPMG Advisory (Hong Kong) Limited (“the Liquidator”) of LeSports HK in accordance to Section 264 of the Companies (Winding up) Rules. ICCL was given the option on the mode of collection for this First Interim Ordinary Dividend of HK\$34,197.07.

**B10. Dividends**

There is no dividend declared and paid for the current quarter or the current year-to-date ended 31 March 2023.

**QUARTERLY REPORT FOR THE FIRST QUARTER 2023**
**B11. Loss Per Share (“LPS”)/Earnings Per Share (“EPS”) attributable to Owners of the Company**

	<b>Current quarter ended 31.03.2023</b>	Comparative quarter ended 31.03.2022	<b>Current year-to-date ended 31.03.2023</b>	Preceding year-to-date ended 31.03.2022
<b>Basic (LPS)/EPS</b> (Loss)/profit attributable to Owners of the Company (RM'000)	<b>(1,904)</b>	242	<b>(1,904)</b>	242
Weighted average number of ordinary shares in issue ('000)	<b>139,403</b>	139,403	<b>139,403</b>	139,403
<b>Basic (LPS)/EPS (sen)</b>	<b>(1.37)</b>	<b>0.17</b>	<b>(1.37)</b>	<b>0.17</b>

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 March 2023.

**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 May 2023 (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 May 2023.

**By Order of the Board**

**Phang Chee Leong**  
Executive Chairman

24 May 2023