

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	As at <b>30.06.2023</b> RM'000	As at 31.12.2022 RM'000
<b>Assets:</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,519	1,032
Right-of-use assets	4,301	3,706
Intangible assets	4,567	4,450
Investment in an associate	410	659
Deferred tax assets	738	703
	<b>11,535</b>	<b>10,550</b>
<b>Current assets</b>		
Inventories	17	35
Trade receivables	28,065	27,240
Other receivables, deposits, contract assets and prepayments	8,160	5,322
Tax recoverable	1,028	593
Fixed deposits with licensed banks	5,678	6,012
Cash and bank balances	25,708	29,427
	<b>68,656</b>	<b>68,629</b>
<b>Total Assets</b>	<b>80,191</b>	<b>79,179</b>
<b>Equity:</b>		
Share capital	19,477	19,477
Reserves	17,475	20,074
Equity attributable to Owners of the Company	<b>36,952</b>	<b>39,551</b>
Non-controlling interests	444	1,342
<b>Total Equity</b>	<b>37,396</b>	<b>40,893</b>
<b>Liabilities:</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,073	933
Lease liabilities	2,528	1,530
Retirement benefit obligations	542	442
Borrowings	261	278
	<b>4,404</b>	<b>3,183</b>

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2023 (CONT'D)**

	As at <b>30.06.2023</b> RM'000	As at 31.12.2022 RM'000
<b>Current liabilities</b>		
Trade payables	25,443	21,431
Other payables, contract liabilities and accruals	11,404	12,387
Lease liabilities	854	1,192
Borrowings	462	32
Tax payable	228	61
	<hr/> <b>38,391</b>	<hr/> 35,103
<b>Total Liabilities</b>	<hr/> <b>42,795</b>	<hr/> <b>38,286</b>
<b>Total Equity and Liabilities</b>	<hr/> <b>80,191</b>	<hr/> 79,179
<b>Net Assets per share attributable to Owners of the Company (sen)</b>	<hr/> <b>26.51</b>	<hr/> 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 SECOND QUARTER 2023**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 30 JUNE 2023**

	<b>Current quarter ended</b>	Comparative quarter ended	<b>Current year-to-date ended</b>	Comparative year-to-date ended
Note	<b>30.06.2023</b>	30.06.2022	<b>30.06.2023</b>	30.06.2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Revenue</b>	<b>27,614</b>	32,739	<b>55,878</b>	65,451
Direct costs	<b>(16,057)</b>	(20,417)	<b>(33,239)</b>	(40,769)
Gross profit	<b>11,557</b>	12,322	<b>22,639</b>	24,682
Other operating income	<b>547</b>	1,102	<b>895</b>	1,407
Other operating expenses	<b>(13,572)</b>	(13,157)	<b>(26,976)</b>	(25,370)
(Loss)/Profit from operations	<b>(1,468)</b>	267	<b>(3,442)</b>	719
Finance costs	<b>(59)</b>	(40)	<b>(102)</b>	(76)
Share of loss in equity-accounted associates, net of tax	<b>(115)</b>	(52)	<b>(268)</b>	(39)
<b>(Loss)/Profit before tax</b>	<b>(1,642)</b>	175	<b>(3,812)</b>	604
Taxation	<b>(268)</b>	(168)	<b>(527)</b>	(632)
<b>(Loss)/Profit after tax</b>	<b>(1,910)</b>	7	<b>(4,339)</b>	(28)

**Other Comprehensive Income for the period, net of tax**

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

Foreign currency translation

<b>859</b>	575	<b>842</b>	719
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**Total Other Comprehensive income  
for the period, net of tax**

**859**      575      **842**      719

**Total Comprehensive (loss)/income**

**(1,051)**      582      **(3,497)**      691

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 30 JUNE 2023 (CONT'D)**

	<b>Current quarter ended</b>	Comparative quarter ended	<b>Current year-to-date ended</b>	Comparative year-to-date ended
Note	<b>30.06.2023</b>	30.06.2022	<b>30.06.2023</b>	30.06.2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>(Loss)/Profit attributable to:</b>				
Owners of the Company	<b>(1,504)</b>	65	<b>(3,408)</b>	307
Non-controlling interests	<b>(406)</b>	(58)	<b>(931)</b>	(335)
	<b>(1,910)</b>	7	<b>(4,339)</b>	(28)
<b>Total Comprehensive (loss)/profit attributable to:</b>				
Owners of the Company	<b>(733)</b>	534	<b>(2,599)</b>	891
Non-controlling interests	<b>(318)</b>	48	<b>(898)</b>	(200)
	<b>(1,051)</b>	582	<b>(3,497)</b>	691
<b>(Loss)/Earning per share attributable to Owners of the Company (sen)</b>				
Basic	<b>(1.08)</b>	0.05	<b>(2.44)</b>	0.22

(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 SECOND QUARTER 2023**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2023**

	Note	Current year-to-date ended 30.06.2023 RM'000	Comparative year-to-date ended 30.06.2022 RM'000
<b>Cash Flows From Operating Activities</b>			
(Loss)/Profit before tax		(3,812)	604
Adjustments for:			
Non-cash and non-operating items	B6(i)	1,445	1,752
Share of loss in equity-accounted associates, net of tax		268	39
Operating (loss)/profit before working capital changes		(2,099)	2,395
Decrease in inventories		17	11
Increase in trade and other receivables, deposits and prepayments		(2,036)	(595)
Increase/(Decrease) in trade and other payables, contract liabilities and accruals		1,250	(1,230)
Cash (used in)/generated from operations		(2,868)	581
Income tax paid		(647)	(826)
Net cash outflow from operating activities		(3,515)	(245)
<b>Cash Flows From Investing Activities</b>			
Expenditure incurred on development expenditure		(853)	(857)
Withdrawals/(Placements) of fixed deposits			
- pledged to licensed banks		100	(38)
- with maturity period more than three (3) months		(2,980)	-
Interest received		58	61
Purchase of property, plant and equipment		(708)	(202)
Advance to an associate		(97)	(26)
Net cash used in investing activities		(4,480)	(1,062)
<b>Cash Flows From Financing Activities</b>			
Interest paid		(18)	(31)
Repayment of lease liabilities		(769)	(607)
Repayments of term loans		(16)	(16)
Net cash used in financing activities		(803)	(654)
<b>Net decrease in Cash and Cash Equivalents</b>		<b>(8,798)</b>	<b>(1,961)</b>
Effects of exchange rate changes		1,435	996
<b>Cash and Cash Equivalents at beginning of period</b>		<b>33,383</b>	<b>28,050</b>
<b>Cash and Cash Equivalents at end of period</b>		<b>26,020</b>	<b>27,085</b>

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2023 (CONT'D)**

	<b>Note</b>	<b>Current year-to-date ended 30.06.2023 RM'000</b>	<b>Preceding year-to-date ended 30.06.2022 RM'000</b>
<b>Cash and Cash Equivalents comprised:</b>			
Bank overdrafts		(429)	(1,212)
Cash and bank balances		25,708	28,016
Fixed deposits with licensed banks		2,698	2,297
		<u>27,977</u>	<u>29,101</u>
Less: fixed deposits pledged		(1,957)	(2,016)
		<u><b>26,020</b></u>	<u><b>27,085</b></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 SECOND QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2023**

	Attributable to Owners of the Company						
	Share capital	Reverse acquisition reserve	Foreign exchange reserve	Retained profits	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
<b>Balance as at 1.1.2023</b>	19,477	(2,512)	737	21,849	39,551	1,342	40,893
Loss for the period	-	-	-	(3,408)	(3,408)	(931)	(4,339)
Other comprehensive income	-	-	809	-	809	33	842
<b>Total Comprehensive Income/(Loss)</b>	-	-	809	(3,408)	(2,599)	(898)	(3,497)
<b>Balance as at 30.06.2023</b>	<b>19,477</b>	<b>(2,512)</b>	<b>1,546</b>	<b>18,441</b>	<b>36,952</b>	<b>444</b>	<b>37,396</b>
<b>Balance as at 1.1.2022</b>	19,477	(2,512)	(223)	21,798	38,540	1,700	40,240
Profit/(Loss) for the period	-	-	-	307	307	(335)	(28)
Other comprehensive income	-	-	584	-	584	135	719
<b>Total Comprehensive Income/(Loss)</b>	-	-	584	307	891	(200)	691
<b>Balance as at 30.06.2022</b>	<b>19,477</b>	<b>(2,512)</b>	<b>361</b>	<b>22,105</b>	<b>39,431</b>	<b>1,500</b>	<b>40,931</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 SECOND 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.

<u>Title</u>	<u>Effective date</u>
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.

<u>Title</u>	<u>Effective date</u>
<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 107 and MFRS 7 Supplier Finance Arrangements</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 SECOND QUARTER 2023**

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

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

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

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

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

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

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

There were no issuance, cancellations, repurchases, resales and repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and current year-to-date ended 30 June 2023.

**A7. Dividends paid**

There were no dividend paid by the Company during the current quarter and current year-to-date ended 30 June 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) Cambodia; and
- ix) Myanmar.

**QUARTERLY REPORT FOR THE SECOND 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:

	30 June 2023		30 June 2022	
	Closing rate	Average rate	Closing rate	Average rate
	RM	RM	RM	RM
1 Singapore Dollar	3.449	3.335	3.168	3.129
1 Hong Kong Dollar	0.596	0.569	0.562	0.546
1 Chinese Renminbi	0.644	0.643	0.658	0.659
1 US Dollar	4.671	4.456	4.407	4.271
100 Indonesian Rupiah	0.031	0.030	0.030	0.030
100 Thai Baht	-	13.030	-	12.670
100 Philippines Peso	8.446	8.069	8.015	8.198
100 Vietnamese Dong	0.020	0.019	0.019	0.019
100 New Taiwan Dollar	14.995	14.583	14.818	14.876
100 South Korean Won	0.354	0.344	0.340	0.347

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

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

Current year-to-date ended 30 June 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	27,011	4,543	6,380	1,351	7,756	7,033	1,233	-	570	1	-	55,878
Inter-segment revenue	2,538	66	-	87	14	292	-	-	-	-	(2,997)	-
Total revenue	29,549	4,609	6,380	1,438	7,770	7,325	1,233	-	570	1	(2,997)	55,878
<b>Segment Results</b>												
Results from operating activities	(496)	(629)	(293)	(992)	(993)	1,004	(634)	(1)	(221)	(56)	(131)	(3,442)
Finance costs	(29)	(10)	(64)	(3)	(38)	(19)	(60)	-	(1)	(9)	131	(102)
Share of loss in equity- accounted associates, net of tax	(268)	-	-	-	-	-	-	-	-	-	-	(268)
(Loss)/Profit before tax	(793)	(639)	(357)	(995)	(1,031)	985	(694)	(1)	(222)	(65)	-	(3,812)
Taxation	(218)	-	-	-	-	(309)	-	-	-	-	-	(527)
(Loss)/Profit after tax	(1,011)	(639)	(357)	(995)	(1,031)	676	(694)	(1)	(222)	(65)	-	(4,339)
Non-controlling interests	38	-	74	488	203	(34)	139	-	-	23	-	931
(Loss)/Profit attributable to Owners of the Company	(973)	(639)	(283)	(507)	(828)	642	(555)	(1)	(222)	(42)	-	(3,408)
<b>Assets</b>												
Segment assets	47,953	7,619	10,214	2,893	21,542	15,769	1,477	-	281	49	(27,606)	80,191
<b>Liabilities</b>												
Segment liabilities	21,324	3,634	11,085	4,108	6,192	9,527	9,160	-	569	955	(23,759)	42,795

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

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

Current year-to-date ended 30 June 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	1,362	33,581	4,505	13,631	-	87,162	8,453	-	128	*
Inter-segment revenue	20	-	291	25	-	3,624	-	-	-	-
<b>Total revenue</b>	<b>1,382</b>	<b>33,581</b>	<b>4,796</b>	<b>13,656</b>	<b>-</b>	<b>90,786</b>	<b>8,453</b>	<b>-</b>	<b>128</b>	<b>-</b>
<b><u>Segment Results</u></b>										
Results from operating activities	(189)	(1,543)	(3,307)	(1,715)	(27)	12,447	(4,349)	(191)	(50)	(12)
Finance costs	(3)	(337)	(9)	(67)	-	(235)	(409)	-	-	(2)
(Loss)/Profit before tax	(192)	(1,880)	(3,316)	(1,782)	(27)	12,212	(4,758)	(191)	(50)	(14)
Taxation	-	-	-	-	-	(3,828)	-	-	-	-
(Loss)/Profit after tax	(192)	(1,880)	(3,316)	(1,782)	(27)	8,384	(4,758)	(191)	(50)	(14)
Non-controlling interests	-	390	1,625	356	-	(419)	952	38	-	5
(Loss)/Profit attributable to Owners of the Company	(192)	(1,490)	(1,691)	(1,426)	(27)	7,965	(3,806)	(153)	(50)	(9)
<b><u>Assets</u></b>										
Segment assets	2,209	51,070	9,332	35,556	545	186,699	9,850	-	60	10
<b><u>Liabilities</u></b>										
Segment liabilities	1,054	55,427	13,251	9,401	914	112,804	61,086	-	122	204

\* - represent value less than USD1,000

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

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

Comparative year-to-date ended 30 June 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'000	South Korea RM'000	Cambodia RM'000	Myanmar RM'000	segment eliminations RM'000	Group RM'000
<b>Revenue</b>												
Revenue from external customers	27,425	6,064	10,967	2,285	8,264	6,936	2,741	83	683	3	-	65,451
Inter-segment revenue	2,857	98	45	203	38	17	28	-	9	-	(3,295)	-
Total revenue	30,282	6,162	11,012	2,488	8,302	6,953	2,769	83	692	3	(3,295)	65,451
<b>Segment Results</b>												
Results from operating activities	1,076	158	370	(541)	358	224	(597)	(50)	(139)	(52)	(88)	719
Finance costs	(50)	(16)	(33)	(4)	-	(6)	(40)	(4)	(6)	(5)	88	(76)
Share of loss in equity- accounted associates, net of tax	(39)	-	-	-	-	-	-	-	-	-	-	(39)
Profit/(Loss) before tax	987	142	337	(545)	358	218	(637)	(54)	(145)	(57)	-	604
Taxation	(519)	(12)	-	-	(21)	(80)	-	-	-	-	-	(632)
Profit/(Loss) after tax	468	130	337	(545)	337	138	(637)	(54)	(145)	(57)	-	(28)
Non-controlling interests	57	-	(71)	267	(69)	(7)	127	11	-	20	-	335
Profit/(Loss) attributable to Owners of the Company	525	130	266	(278)	268	131	(510)	(43)	(145)	(37)	-	307
<b>Assets</b>												
Segment assets	49,899	9,065	11,400	5,522	19,442	13,598	2,178	42	689	37	(26,472)	85,400
<b>Liabilities</b>												
Segment liabilities	23,201	3,859	11,917	4,933	4,687	8,113	8,553	954	887	761	(23,396)	44,469

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

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

Comparative year-to-date ended 30 June 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>Revenue</b>										
Revenue from external customers	1,938	57,719	7,616	15,135	-	84,609	18,427	23,972	160	1
Inter-segment revenue	31	239	677	70	-	210	187	-	2	-
Total revenue	1,969	57,958	8,293	15,205	-	84,819	18,614	23,972	162	1
<b>Segment Results</b>										
Results from operating activities	50	1,945	(1,802)	668	(10)	2,732	(4,010)	(14,485)	(33)	(12)
Finance costs	(5)	(174)	(12)	-	-	(77)	(269)	(1,282)	(1)	(1)
Profit/(Loss) before tax	45	1,771	(1,814)	668	(10)	2,655	(4,279)	(15,767)	(34)	(13)
Taxation	(4)	-	-	(38)	-	(981)	-	-	-	-
Profit/(Loss) after tax	41	1,771	(1,814)	630	(10)	1,674	(4,279)	(15,767)	(34)	(13)
Non-controlling interests	-	(372)	889	(126)	-	(84)	856	3,174	-	5
Profit/(Loss) attributable to Owners of the Company	41	1,399	(925)	504	(10)	1,590	(3,423)	(12,593)	(34)	(8)
<b>Assets</b>										
Segment assets	2,861	59,998	18,408	33,980	525	169,657	14,701	12,456	156	8
<b>Liabilities</b>										
Segment liabilities	1,218	62,721	16,445	7,305	884	101,219	57,720	280,637	201	173

**QUARTERLY REPORT FOR THE SECOND 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 30 June 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.

Save from above, there is no other changes in the composition of the Group during the financial quarter and financial year-to-date.

**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	<u>2,557</u>
	<u><u>2,687</u></u>

**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 30.06.2023 <u>RM</u></b>	<b>Comparative year-to-date ended 30.06.2022 <u>RM</u></b>
Sales of advertisement space	471,251	378,210
Purchase of advertisement space and others	77,803	142,592
Purchase of online recruitment services	1,083	1,105
Royalty fees	42,599	64,701
Management fees	<u>153,773</u>	<u>132,763</u>

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 SECOND 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 30.06.2023 RM'000</b>	<b>Comparative quarter ended 30.06.2022 RM'000</b>	<b>% change</b>	<b>Current year-to-date ended 30.06.2023 RM'000</b>	<b>Comparative year-to-date ended 30.06.2022 RM'000</b>	<b>% change</b>
<b>Overall performance analysis</b>						
Revenue	<b>27,614</b>	32,739	(16%)	<b>55,878</b>	65,451	(15%)
(Loss)/Profit from operations	<b>(1,468)</b>	267	>(100%)	<b>(3,442)</b>	719	>(100%)
Finance costs	<b>(59)</b>	(40)	(48%)	<b>(102)</b>	(76)	(34%)
Share of loss of equity-accounted associates, net of tax	<b>(115)</b>	(52)	>(100%)	<b>(268)</b>	(39)	>(100%)
(Loss)/Profit before tax	<b>(1,642)</b>	175	>(100%)	<b>(3,812)</b>	604	>(100%)
(Loss)/Profit after tax	<b>(1,910)</b>	7	>(100%)	<b>(4,339)</b>	(28)	>(100%)
(Loss)/Profit attributable to Owners of the Company	<b>(1,504)</b>	65	>(100%)	<b>(3,408)</b>	307	>(100%)

*Current Year-To-Date (“6M23”) compared with Preceding Year-To-Date (“6M22”)*

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

In 6M23, the Group's revenue dropped by 15% year-on-year to RM55.88 million from RM65.45 million in 6M22. The group's performance was affected by the reduced digital advertising spending amid the economic slowdown in the first half of 2023, only Philippines business unit contributed positive revenue growth in 6M23 compared to 6M22. The group posted a loss before tax ("LBT") of RM3.81 million in 6M23 against a PBT of RM0.6 million in 6M22. This was mainly attributed from the 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 decreased by RM0.51 million or 37% to RM0.90 million in 6M23 compared with RM1.41 million in 6M22. The decrease in other income was mainly due from a lower unrealised foreign exchange gain registered in the current quarter coupled with an absent of RM0.28 million Government Support Grant from the Hong Kong Government, which was discontinued in 2023.



**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

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

*Current Year-To-Date ("6M23") compared with Preceding Year-To-Date ("6M22") (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 6% or RM1.61 million to RM26.98 million in 6M23 from RM25.37 million in 6M22.

**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 30 June 2023 against 30 June 2022:

	<b>Current year- to-date ended 30.06.2023 <u>RM'000</u></b>	Comparative year- to-date ended 30.06.2022 <u>RM'000</u>
Net cash generated from/(used in)		
- Operating activities	<b>(3,515)</b>	(245)
- Investing activities	<b>(4,480)</b>	(1,062)
- Financing activities	<b>(803)</b>	(654)
- Exchange difference	<b>1,435</b>	996
Net decrease in cash and cash equivalents	<b><u>(7,363)</u></b>	<u>(965)</u>

Group cash and cash equivalents of RM26.02 million was recorded as at 30 June 2023 as compared to RM27.09 million as at 30 June 2022. The debts to equity ratio as at 30 June 2023 has slightly worsen to 0.11 (6M22: 0.08).

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023****B1. Performance analysis of the Group for the current quarter and year-to-date (Cont'd)***Current Quarter ("2Q23") compared with Comparative Quarter of Preceding Year ("2Q22")***(i) Group's overview of Operating Segments**

	Revenue from external customers			Profit/(Loss) before tax		
	Current quarter ended 30.06.2023 RM'000	Comparative quarter ended 30.06.2022 RM'000	% change	Current quarter ended 30.06.2023 RM'000	Comparative quarter ended 30.06.2022 RM'000	% change
<b>Operating segments</b>						
- Malaysia	12,789	13,292	(4%)	(156)	248	>(100%)
- Singapore	1,974	2,871	(31%)	(527)	(19)	>(100%)
- Vietnam	3,154	5,723	(45%)	(106)	272	>(100%)
- Indonesia	603	1,258	(52%)	(585)	(162)	>(100%)
- Hong Kong and China	4,322	4,738	(9%)	(261)	407	>(100%)
- Philippines	3,739	3,252	15%	517	(100)	>100%
- Taiwan	775	1,214	(36%)	(326)	(318)	(3%)
- South Korea	-	34	(100%)	(1)	(40)	98%
- Cambodia	257	356	(28%)	(161)	(89)	(81%)
- Myanmar	1	1	-	(36)	(24)	(50%)
	<b>27,614</b>	<b>32,739</b>	<b>(16%)</b>	<b>(1,642)</b>	<b>175</b>	<b>&gt;(100%)</b>

For the quarter under review, Malaysia's business unit revenue growth remained resilient with a marginal decrease of 4%, where it registered a revenue of RM12.79 million in the current quarter as compared to RM13.29 million in the corresponding quarter in the preceding year. The business unit has benefited from the improved marketing solutions adopted in recent years, which has effectively driven new revenue streams from new clientele despite the macroeconomic challenges. A LBT of RM0.16 million was recorded in the current quarter as compared to PBT of RM0.25 million in the same quarter in the preceding year. This was mainly due to the lower unrealised exchange gain and higher operating costs incurred in the current period.

Despite improved market conditions and demand has generally picked up, however certain industries are remained soft. Consequently, Singapore business unit recorded a lower revenue at RM1.97 million in 2Q23 against RM2.87 million in 2Q22, representing a 31% drop in revenue. A higher LBT of RM0.53 million as compared to LBT of RM20,000 in 2Q22 was in tandem with the drop in revenue and higher staff costs.

In the quarter under review, Vietnam business unit's revenue dropped nearly half, to RM3.15 million in current quarter from RM5.72 million in the corresponding quarter in the preceeding year. The drop in revenue was mainly due to the reduced spending from existing clienteles in midst of the growing external headwinds and unstable servicing team. LBT of RM0.11 million was recorded in 2Q23 as compared to PBT of RM0.27 million in 2Q22. Despite an improved gross profit in the current quarter, it is not sufficient to cushion the quantum of the lower revenue and higher staff costs.

In 2Q23, Indonesia business unit's revenue declined to RM0.60 million from RM1.26 million in 2Q22, a drop of RM0.66 million (52%). The business unit remains challenging as majority of its existing customers reduced digital advertising spending with Indonesia business unit in 2Q23 as compared to 2Q22. Nevertheless, the business unit is in the midst of restructing its business plan to regain the market share. The higher LBT of RM0.59 million incurred in the current quarter was in line with the lower revenue.

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

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

*Current Quarter ("2Q23") compared with Comparative Quarter of Preceding Year ("2Q22") (Cont'd)*

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

Hong Kong business unit's revenue growth momentum was softened in the quarter under review, revenue declined by 9% to RM4.32 million in the current quarter as compared to RM4.74 million in the corresponding quarter in the preceding year. Higher LBT posted in the current period was mainly due to the discontinued of income received from the Hong Kong Government Support Grant in 2023, higher staff costs and higher depreciation expenses incurred from the new office lease. China business remains challenging, no business activities was carry out during the current quarter.

In 2Q23, the Philippines business unit's revenue recorded an increase of RM0.5 million from RM3.25 million in the current quarter to RM3.74 million in the same quarter in the preceding year, representing a 15% increase. The business unit added a few new customers in the current quarter and contributed to the top-line. Consequently, PBT in the current quarter improved by RM0.62 million as compared to corresponding quarter in the preceding year. This was in tandem with the higher revenue with higher gross profit.

Taiwan business unit continues to suffer lower revenues amidst a slow recovery from the weakened economy in 2Q23. Therefore, advertisers remained conservative on advertising spending in view of the economic uncertainty. The business unit posted a negative growth with a 36% drop in revenue. The drop in revenue coupled with lower gross profit was cushioned by the lower unrealised exchange losses and staff costs which reflected a 3% marginal drop in the current period as compared to the same period in 2022.

South Korea business unit has ceased business effective from June 2022. No revenue and PBT were recorded as at 2Q23 as compared to RM0.03 million revenue in 2Q22. LBT in the current quarter at RM1,000 was incurred before it was dissolved on 10 April 2023.

Cambodia business unit generated revenue of RM0.26 million in the current quarter as compared to RM0.36 million in the corresponding quarter in preceding year, representing a RM0.1 million or 28% decline in revenue. The lost of repeating advertising spending from a few existing customers in the period under review was the major factor that attributed to the lower revenue. LBT increased by 81% quarter-on-quarter, which was mainly due to the lower revenue coupled with higher staff costs incurred in the current quarter.

Myanmar's economy is still operating well below pre-pandemic levels, business environment surrounded by uncertainty and obstacles, constraining the pace of recovery. The business unit contributed the same amount of RM1,000 revenue in the current quarter and corresponding quarter in the preceding year. Hence, LBT was incurred in 2Q23 and 2Q22 at RM36,000 and RM24,000 respectively.

**QUARTERLY REPORT FOR THE SECOND 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 30.06.2023 RM'000</b>	Immediate preceding quarter ended 31.03.2023 RM'000	% change
<b>Overall performance analysis</b>			
Revenue	<b>27,614</b>	28,264	(2%)
Loss from operations	<b>(1,468)</b>	(1,974)	26%
Finance costs	<b>(59)</b>	(43)	(37%)
Share of loss in equity-accounted associates, net of tax	<b>(115)</b>	(153)	25%
Loss before tax	<b>(1,642)</b>	(2,170)	24%
Loss after tax	<b>(1,910)</b>	(2,429)	21%
Loss attributable to Owners of the Company	<b>(1,504)</b>	(1,904)	21%

In 2Q23, economy activities in Hong Kong, Taiwan and The Philippines business units has improved by RM0.89 million (26%), RM0.32 million (69%) and RM0.45 million (14%) respectively, on the other hand, the other's business units namely Malaysia, Singapore, Vietnam, Indonesia, Cambodia and Myanmar recorded a lower aggregate revenue of RM18.8 million as compared to immediate preceding quarter of RM21.1 million in 1Q23. The overall group's revenue dipped by 2% in 2Q23 compared to 1Q23. LBT was reduced from RM2.17 million to RM1.6 million in the quarter under review, representing a 24% reduction against 1Q23. This was mainly due to the reversal of platform fee from Visa as a result from the discontinued card linked program 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 caused by continuous inflation pressures. Although most of the country has entered into post-Covid stage, however, consumers and some of the industries are remain cautious and controlling their spendings particularly on non-core costs which is affecting the Company's turnover. The directors are of the opinion that the Group's prospects for the financial year ending 31 December 2023 would be challenging in this macroeconomics. 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 SECOND 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 30.06.2023 RM'000</b>	<b>Comparative quarter ended 30.06.2022 RM'000</b>	<b>Current year-to-date ended 30.06.2023 RM'000</b>	<b>Comparative year-to-date ended 30.06.2022 RM'000</b>
Amortisation of development expenditure	(i)	368	396	736	792
Bad debt written off	(i)	-	72	-	72
Depreciation	(i)	561	414	1,033	842
Impairment loss on financial assets					
- trade receivable	(i)	68	240	165	447
Interest expense					
- bank overdraft	(i)	6	14	10	25
- lease rental interest	(i)	48	23	84	45
- Term loan interest	(i)	5	3	8	6
Loss on foreign exchange					
- realised		22	9	71	49
- unrealised	(i)	20	281	93	506
Loss on lease modification	(i)	-	-	22	-
Property, plant and equipment written off	(i)	23	-	23	-
Retirement benefits	(i)	30	5	59	10
<b>And (crediting):</b>					
Gain on foreign exchange					
- realised		2	(19)	(23)	(37)
- unrealised	(i)	(454)	(699)	(711)	(878)
Interest income	(i)	(33)	(35)	(58)	(61)
Other income					
Reversal of impairment losses on financial assets					
- trade receivable	(i)	5	(46)	(19)	(54)
Miscellaneous		(67)	(303)	(84)	(377)

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

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023****B7. Taxation**

	<b>Current quarter ended 30.06.2023 RM'000</b>	Comparative quarter ended 30.06.2022 RM'000	<b>Current year-to- date ended 30.06.2023 RM'000</b>	Comparative year-to- date ended 30.06.2022 RM'000
In respect of the current year				
Income tax				
Malaysia	32	139	65	194
Outside Malaysia	148	13	309	113
Deferred taxation	88	16	153	325
	<b>268</b>	168	<b>527</b>	632

Despite the group recorded a LBT in the 6M23 and 2Q23, income tax and defer tax were recorded in the following business units:

- i) Malaysia business unit incurred LBT in 2Q23 and 6M23, however income tax was incurred at a profit making business entity namely Domesia Asia Sdn Bhd. The entity effective tax rate was slightly lower than the statutory tax rate. Despite Innity Sdn Bhd recorded LBT in 2Q23 and 6M23, deferred tax was recognise for future tax liabilities, derived from the crystallisation of prior year deferred tax liability;
- ii) Philippines effective tax rate was slightly higher than the statutory tax rate in 2Q23 and 6M23, 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 30.06.2023			
Bank overdraft	-	429	429
Term loan	261	33	294
	<b>261</b>	<b>462</b>	<b>723</b>
As at 30.06.2022			
Bank overdraft	-	1,212	1,212
Term loan	293	32	325
	<b>293</b>	<b>1,244</b>	<b>1,537</b>

The Group does not have any foreign currency borrowings as of 30 June 2023.

**QUARTERLY REPORT FOR THE SECOND QUARTER 2023**

**B9. Changes in material litigation**

As at 16 August 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 SECOND 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 SECOND 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. Such dividend was received on 7 June 2022 by way of bank transfer.

On 30 June 2023, the Liquidator declared the Second and Final ordinary dividend of HK\$6,924.91 to ICCL. Subsequent to this, ICCL received the Second and Final Dividend by way of bank transfer on 25 July 2023.

**B10. Dividends**

There is no dividend declared and paid for the current quarter or the current year-to-date ended 30 June 2023.

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

	<b>Current quarter ended 30.06.2023</b>	Comparative quarter ended 30.06.2022	<b>Current year-to-date ended 30.06.2023</b>	Comparative year-to-date ended 30.06.2022
<b>Basic (LPS)/EPS</b> (Loss)/profit attributable to Owners of the Company (RM'000)	<b>(1,504)</b>	65	<b>(3,408)</b>	307
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>(1.08)</b>	<b>0.05</b>	<b>(2.44)</b>	<b>0.22</b>

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 30 June 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 16 August 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 23 August 2023.

**By Order of the Board**

**Phang Chee Leong**  
Executive Chairman

23 August 2023