

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

	As at <b>31.12.2023</b> RM'000	As at 31.12.2022 RM'000
<b>Assets:</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,933	1,032
Right-of-use assets	3,996	3,706
Intangible assets	4,756	4,450
Investment in an associate	255	659
Deferred tax assets	824	703
	<b>11,764</b>	<b>10,550</b>
<b>Current assets</b>		
Inventories	12	35
Trade receivables	29,608	27,240
Other receivables, deposits, contract assets and prepayments	6,107	5,322
Tax recoverable	714	593
Fixed deposits with licensed banks	10,842	6,012
Cash and bank balances	21,939	29,427
	<b>69,222</b>	<b>68,629</b>
<b>Total Assets</b>	<b>80,986</b>	<b>79,179</b>
<b>Equity:</b>		
Share capital	19,477	19,477
Reserves	19,678	20,074
Equity attributable to Owners of the Company	<b>39,155</b>	<b>39,551</b>
Non-controlling interests	262	1,342
<b>Total Equity</b>	<b>39,417</b>	<b>40,893</b>
<b>Liabilities:</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,168	933
Lease liabilities	1,517	1,530
Retirement benefit obligations	513	442
Borrowings	246	278
	<b>3,444</b>	<b>3,183</b>

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023 (CONT'D)**

	As at <b>31.12.2023</b> RM'000	As at 31.12.2022 RM'000
<b>Current liabilities</b>		
Trade payables	20,882	21,431
Other payables, contract liabilities and accruals	13,974	12,387
Lease liabilities	1,578	1,192
Borrowings	1,401	32
Tax payable	290	61
	<hr/> <b>38,125</b>	<hr/> 35,103
<b>Total Liabilities</b>	<hr/> <b>41,569</b>	<hr/> <b>38,286</b>
<b>Total Equity and Liabilities</b>	<hr/> <b>80,986</b>	<hr/> 79,179
<b>Net Assets per share attributable to Owners of the Company (sen)</b>	<hr/> <b>28.09</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 FOURTH QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

		<b>Current quarter ended</b>	Comparative quarter ended	<b>Current year-to-date ended</b>	Comparative year-to-date ended
	Note	<b>31.12.2023</b>	31.12.2022	<b>31.12.2023</b>	31.12.2022
		<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Revenue</b>		<b>29,829</b>	27,252	<b>114,012</b>	119,216
Direct costs		<b>(11,695)</b>	(12,212)	<b>(61,290)</b>	(69,076)
Gross profit		<b>18,134</b>	15,040	<b>52,722</b>	50,140
Other operating income		<b>685</b>	(643)	<b>1,607</b>	1,704
Other operating expenses		<b>(14,126)</b>	(13,997)	<b>(54,387)</b>	(51,174)
Profit/(Loss) from operations		<b>4,693</b>	400	<b>(58)</b>	670
Finance costs		<b>(63)</b>	(30)	<b>(226)</b>	(137)
Share of (loss)/profit in equity-accounted associates, net of tax		<b>(72)</b>	117	<b>(426)</b>	(57)
<b>Profit/(Loss) before tax</b>	B6	<b>4,558</b>	487	<b>(710)</b>	476
Taxation	B7	<b>(683)</b>	(72)	<b>(1,459)</b>	(1,108)
<b>Profit/(Loss) after tax</b>		<b>3,875</b>	415	<b>(2,169)</b>	(632)

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

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

Foreign currency translation

<b>(332)</b>	(365)	<b>740</b>	1,153
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*Item that will not be reclassified subsequently to profit or loss:*

Remeasurement of retirement benefit obligations

<b>(2)</b>	167	<b>(2)</b>	167
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**Total Other Comprehensive (loss)/income for the year, net of tax**

<b>(334)</b>	(198)	<b>738</b>	1,320
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**Total Comprehensive income/(loss)**

<b>3,541</b>	217	<b>(1,431)</b>	688
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**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

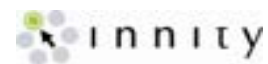
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	<b>Current quarter ended</b>	Comparative quarter ended	<b>Current year-to-date ended</b>	Comparative year-to-date ended
Note	<b>31.12.2023</b>	31.12.2022	<b>31.12.2023</b>	31.12.2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	3,573	406	(1,101)	(80)
Non-controlling interests	302	9	(1,068)	(552)
	<b>3,875</b>	415	<b>(2,169)</b>	(632)
<b>Total Comprehensive profit/(loss) attributable to:</b>				
Owners of the Company	3,313	270	(396)	1,012
Non-controlling interests	228	(53)	(1,035)	(324)
	<b>3,541</b>	217	<b>(1,431)</b>	688
<b>Profit/(Loss) per share attributable to Owners of the Company (sen)</b>				
Basic	2.56	0.29	(0.79)	(0.06)

(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 FOURTH QUARTER 2023**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Current year-to-date ended 31.12.2023 RM'000	Comparative year-to-date ended 31.12.2022 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before tax	(710)	476
Adjustments for:		
Non-cash and non-operating items	3,126	3,409
Share of loss in equity-accounted associates, net of tax	426	57
Operating profit before working capital changes	2,842	3,942
Decrease in inventories	23	42
(Increase)/Decrease in trade and other receivables, deposits and prepayments	(1,479)	11,486
Increase/(Decrease) in trade and other payables, contract liabilities and accruals	548	(6,604)
Cash generated from operations	1,934	8,866
Income tax paid	(1,332)	(2,085)
Income tax refunded	123	35
Net cash inflow from operating activities	725	6,816
<b>Cash Flows From Investing Activities</b>		
Expenditure incurred on development expenditure	(1,779)	(1,599)
Withdrawals/(Placements) of fixed deposits		
- pledged to licensed banks	45	(78)
- with maturity period more than three (3) months	(2,377)	(3,956)
Interest received	225	120
Proceeds from disposals of plant and equipment	-	2
Purchase of property, plant and equipment	(1,424)	(439)
(Advance to)/Repayment from an associate	(237)	304
Net cash used in investing activities	(5,547)	(5,646)
<b>Cash Flows From Financing Activities</b>		
Dividend paid to non-controlling interests	(45)	(35)
Interest paid	(47)	(48)
Repayment of lease liabilities	(1,730)	(1,013)
Repayments of term loans	(31)	(31)
Net cash used in financing activities	(1,853)	(1,127)
<b>Net (decrease)/increase in Cash and Cash Equivalents</b>	(6,675)	43
Effects of exchange rate changes	317	1,334
<b>Cash and Cash Equivalents at beginning of year</b>	29,427	28,050
<b>Cash and Cash Equivalents at end of year</b>	23,069	29,427



**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

	<b>Note</b>	<b>Current year-to-date ended 31.12.2023 RM'000</b>	<b>Preceding year-to-date ended 31.12.2022 RM'000</b>
<b>Cash and Cash Equivalents comprised:</b>			
Bank overdrafts		(1,367)	-
Cash and bank balances		21,939	29,427
Fixed deposits with licensed banks		4,509	2,056
		<b>25,081</b>	<b>31,483</b>
Less: fixed deposits pledged		(2,012)	(2,056)
		<b>23,069</b>	<b>29,427</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 FOURTH QUARTER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Attributable to Owners of the Company						Total equity
	Share capital	Reverse acquisition reserve	Foreign exchange reserve	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>	19,477	(2,512)	737	21,849	39,551	1,342	40,893
Loss for the year	-	-	-	(1,101)	(1,101)	(1,068)	(2,169)
Other comprehensive income/(loss)	-	-	706	(1)	705	33	738
<b>Total Comprehensive Income/(Loss)</b>	-	-	706	(1,102)	(396)	(1,035)	(1,431)
Dividends paid to non-controlling interests	-	-	-	-	-	(45)	(45)
Total transaction with Owners and changes in ownership interests	-	-	-	-	-	(45)	(45)
<b>Balance as at 31.12.2023</b>	<b>19,477</b>	<b>(2,512)</b>	<b>1,443</b>	<b>20,747</b>	<b>39,155</b>	<b>262</b>	<b>39,417</b>
<b>Balance as at 1.1.2022</b>	19,477	(2,512)	(223)	21,797	38,539	1,700	40,239
Loss for the year	-	-	-	(80)	(80)	(552)	(632)
Other comprehensive income	-	-	962	130	1,092	228	1,320
<b>Total Comprehensive Income/(Loss)</b>	-	-	962	50	1,012	(324)	688
Dividends paid to non controlling interest	-	-	-	-	-	(34)	(34)
Total transaction with Owners and changes in ownership interests	-	-	-	-	-	(34)	(34)
<b>Balance as at 31.12.2022</b>	<b>19,477</b>	<b>(2,512)</b>	<b>739</b>	<b>21,847</b>	<b>39,551</b>	<b>1,342</b>	<b>40,893</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 FOURTH 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</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> )	1 January 2023
<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 121 The Effects of Changes in Foreign Exchange Rates</i>	1 January 2025
<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 FOURTH 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 year.

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

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

**A7. Dividends paid**

There were no dividend paid by the Company during the current quarter and current year-to-date ended 31 December 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 FOURTH 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 December 2023		31 December 2022	
	Closing rate	Average rate	Closing rate	Average rate
	RM	RM	RM	RM
1 Singapore Dollar	3.482	3.395	3.290	3.191
1 Hong Kong Dollar	0.588	0.583	0.565	0.562
1 Chinese Renminbi	0.649	0.645	0.640	0.650
1 US Dollar	4.595	4.560	4.413	4.400
100 Indonesian Rupiah	0.030	0.030	0.028	0.030
100 Thai Baht	-	13.100	-	12.560
100 Philippines Peso	8.294	8.199	7.915	8.079
100 Vietnamese Dong	0.019	0.019	0.019	0.019
100 New Taiwan Dollar	14.989	14.635	14.374	14.771
100 South Korean Won	0.360	0.344	0.350	0.341

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

Current year-to-date ended 31 December 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'000	South Korea RM'000	Cambodia RM'000	Myanmar RM'000	Inter- segment eliminations RM'000	Group RM'000
<b>Revenue</b>												
Revenue from external customers	54,141	9,654	11,737	2,506	17,464	14,837	2,621	-	1,052	-	-	114,012
Inter-segment revenue	5,641	138	19	141	15	490	105	-	-	1	(6,550)	-
Total revenue	59,782	9,792	11,756	2,647	17,479	15,327	2,726	-	1,052	1	(6,550)	114,012
<b>Segment Results</b>												
Results from operating activities	1,739	(898)	334	(1,694)	(343)	2,375	(844)	(1)	(382)	(89)	(255)	(58)
Finance costs	(78)	(24)	(125)	(9)	(72)	(52)	(98)	-	(3)	(20)	255	(226)
Share of loss in equity- accounted associates, net of tax	(426)	-	-	-	-	-	-	-	-	-	-	(426)
Profit/(Loss) before tax	1,235	(922)	209	(1,703)	(415)	2,323	(942)	(1)	(385)	(109)	-	(710)
Taxation	(900)	-	22	103	3	(659)	(28)	-	-	-	-	(1,459)
Profit/(Loss) after tax	335	(922)	231	(1,600)	(412)	1,664	(970)	(1)	(385)	(109)	-	(2,169)
Non-controlling interests	108	-	(49)	784	76	(83)	194	-	-	38	-	1,068
Profit/(Loss) attributable to Owners of the Company	443	(922)	182	(816)	(336)	1,581	(776)	(1)	(385)	(71)	-	(1,101)
<b>Assets</b>												
Segment assets	52,169	6,842	8,035	2,417	20,342	18,965	1,233	-	335	20	(29,372)	80,986
<b>Liabilities</b>												
Segment liabilities	23,028	3,096	8,279	4,185	4,537	12,731	9,193	-	777	954	(25,211)	41,569

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

Current year-to-date ended 31 December 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	2,844	61,776	8,353	29,956	-	180,964	17,910	-	231	-
Inter-segment revenue	41	100	469	25	-	5,973	718	-	-	-
Total revenue	2,885	61,876	8,822	29,981	-	186,937	18,628	-	231	-
<b><u>Segment Results</u></b>										
Results from operating activities	(264)	1,757	(5,646)	(534)	(50)	28,965	(5,766)	(191)	(84)	(20)
Finance costs	(7)	(656)	(31)	(123)	-	(633)	(669)	-	(1)	(4)
(Loss)/Profit before tax	(271)	1,101	(5,677)	(657)	(50)	28,332	(6,435)	(191)	(85)	(24)
Taxation	-	113	342	6	-	(8,033)	(194)	-	-	-
(Loss)/Profit after tax	(271)	1,214	(5,335)	(651)	(50)	20,299	(6,629)	(191)	(85)	(24)
Non-controlling interests	-	(259)	2,614	130	-	(1,015)	1,326	38	-	8
(Loss)/Profit attributable to Owners of the Company	(271)	955	(2,721)	(521)	(50)	19,284	(5,303)	(153)	(85)	(16)
<b><u>Assets</u></b>										
Segment assets	1,965	42,291	8,057	34,001	539	228,664	8,224	-	73	4
<b><u>Liabilities</u></b>										
Segment liabilities	889	43,574	13,951	6,712	910	153,498	61,333	-	169	208

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

**Comparative year-to-date ended 31 December 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><u>Revenue</u></b>												
Revenue from external customers	49,106	9,864	19,210	3,703	17,533	13,320	4,974	82	1,420	4	-	119,216
Inter-segment revenue	5,324	429	55	235	41	116	29	-	10	14	(6,253)	-
Total revenue	54,430	10,293	19,265	3,938	17,574	13,436	5,003	82	1,430	18	(6,253)	119,216
<b><u>Segment Results</u></b>												
Results from operating activities	1,389	(532)	531	(1,258)	1,167	728	(1,067)	38	3	(112)	(217)	670
Finance costs	(96)	(29)	(87)	(7)	(6)	(10)	(91)	(7)	(8)	(13)	217	(137)
Share of loss in equity- accounted associates, net of tax	(57)	-	-	-	-	-	-	-	-	-	-	(57)
Profit/(Loss) before tax	1,236	(561)	444	(1,265)	1,161	718	(1,158)	31	(5)	(125)	-	476
Taxation	(913)	3	(33)	5	(79)	(201)	110	-	-	-	-	(1,108)
Profit/(Loss) after tax	323	(558)	411	(1,260)	1,082	517	(1,048)	31	(5)	(125)	-	(632)
Non-controlling interests	144	-	(81)	640	(225)	(26)	229	(173)	-	44	-	552
Profit/(Loss) attributable to Owners of the Company	467	(558)	330	(620)	857	491	(819)	(142)	(5)	(81)	-	(80)
<b><u>Assets</u></b>												
Segment assets	42,664	8,398	11,520	3,562	20,930	11,832	1,828	-	385	93	(22,033)	79,179
<b><u>Liabilities</u></b>												
Segment liabilities	16,421	3,967	11,984	3,667	5,335	6,647	6,513	-	437	885	(17,570)	38,286

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

Comparative year-to-date ended 30 September 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	3,091	101,105	12,342	31,197	-	164,868	33,676	24,004	323	1
Inter-segment revenue	134	288	783	73	-	1,436	197	-	2	3
Total revenue	3,225	101,393	13,125	31,270	-	166,304	33,873	24,004	325	4
<b>Segment Results</b>										
Results from operating activities	(167)	2,796	(4,194)	2,153	(67)	9,005	(7,221)	11,171	1	(26)
Finance costs	(9)	(457)	(23)	(11)	-	(122)	(619)	(2,007)	(2)	(3)
(Loss)/Profit before tax	(176)	2,339	(4,217)	2,142	(67)	8,883	(7,840)	9,164	(1)	(29)
Taxation	1	(175)	16	(140)	-	(2,490)	745	-	-	-
(Loss)/Profit after tax	(175)	2,164	(4,201)	2,002	(67)	6,393	(7,095)	9,164	(1)	(29)
Non-controlling interests	-	(428)	2,134	(400)	-	(327)	1,551	(50,832)	-	10
(Loss)/Profit attributable to Owners of the Company	(175)	1,736	(2,067)	1,602	(67)	6,066	(5,544)	(41,668)	(1)	(19)
<b>Assets</b>										
Segment assets	2,553	60,629	12,722	36,441	533	149,489	12,718	191	87	21
<b>Liabilities</b>										
Segment liabilities	1,206	63,075	13,096	8,417	906	83,978	45,311	-	99	200

**QUARTERLY REPORT FOR THE FOURTH 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 December 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.

**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 for supply of services	130
Guarantees given to financial institution in respect of credit facilities obtained by a subsidiary	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 31.12.2023 RM</b>	<b>Comparative year-to-date ended 31.12.2022 RM</b>
Sales of advertisement space	914,361	640,267
Purchase of advertisement space and others	159,519	188,799
Purchase of online recruitment services	2,248	1,097
Royalty fees	101,093	131,838
Management fees	298,655	256,094

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 FOURTH 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 31.12.2023 RM'000</b>	Comparative quarter ended 31.12.2022 RM'000	% change	<b>Current year-to-date ended 31.12.2023 RM'000</b>	Comparative year-to-date ended 31.12.2022 RM'000	% change
<b>Overall performance analysis</b>						
Revenue	<b>29,829</b>	27,252	9%	<b>114,012</b>	119,216	(4%)
Profit/(Loss) from operations	<b>4,693</b>	400	>100%	<b>(58)</b>	670	>(100%)
Finance costs	<b>(63)</b>	(30)	>(100%)	<b>(226)</b>	(137)	(65%)
Share of loss of equity-accounted associates, net of tax	<b>(72)</b>	117	>(100%)	<b>(426)</b>	(57)	>(100%)
Profit/(Loss) before tax	<b>4,558</b>	487	>100%	<b>(710)</b>	476	>(100%)
Profit/(Loss) after tax	<b>3,875</b>	415	>100%	<b>(2,169)</b>	(632)	>(100%)
Profit/(Loss) attributable to Owners of the Company	<b>3,573</b>	406	>100%	<b>(1,101)</b>	(80)	>(100%)

*Current Year-To-Date (“12M23”) compared with Preceding Year-To-Date (“12M22”)*

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

In 12M23, the Group's revenue dropped by 4% year-on-year to RM114.01 million from RM119.22 million in a year ago. Malaysia and Philippines business units registered a higher revenue growth by 10% and 11% respectively. On the other hand lower revenue was recorded in Singapore, Hong Kong, Vietnam, Taiwan, Indonesia, Cambodia and Myanmar business units as compared to the corresponding year in 2022. In the year under review, group loss before tax (“LBT”) was registered at RM0.71 million compared to profit before tax (“PBT”) of RM0.48 million in the preceding year. The decline in PBT is mainly attributed to the increase in operating costs and losses incurred from associate company.

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

Other income dropped by 6% or RM90,000 from RM1.70 million in 12M22 to RM1.61 million in 12M23. The decrease in other income primarily stemmed from reduced unrealised foreign exchange gain and the absence of wage subsidies from the Singapore and Hong Kong Government, offset by the gain on the reversal of impairment of trade receivables.



**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

*Current Year-To-Date ("12M23") compared with Preceding Year-To-Date ("12M22") (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 RM3.20 million to RM54.39 million in 12M23 from RM51.17 million in 12M22, representing 6% increase in other operating expenses.

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

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

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

	<b>Current year- to-date ended 31.12.2023 <u>RM'000</u></b>	Comparative year- to-date ended 31.12.2022 <u>RM'000</u>
Net cash generated from/(used in)		
- Operating activities	725	6,816
- Investing activities	(5,547)	(5,646)
- Financing activities	(1,853)	(1,127)
- Exchange difference	317	1,334
Net (decrease)/increase in cash and cash equivalents	<u>(6,358)</u>	<u>1,377</u>

As at 31 December 2023, the Group recorded cash and cash equivalents of RM23.07 million as compared to RM29.43 million as at 31 December 2022. The debts to equity ratio as at 31 December 2023 has increase to 0.12 (12M22: 0.08).

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

*Current Quarter ("4Q23") compared with Comparative Quarter of Preceding Year ("4Q22")*

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

	Revenue from external customers			Profit/(Loss) before tax		
	Current quarter ended 31.12.2023 RM'000	Comparative quarter ended 31.12.2022 RM'000	% change	Current quarter ended 31.12.2023 RM'000	Comparative quarter ended 31.12.2022 RM'000	% change
<b>Operating segments</b>						
- Malaysia	13,037	9,809	33%	2,003	(231)	>100%
- Singapore	2,948	2,320	27%	83	(425)	>100%
- Vietnam	2,801	4,354	(36%)	748	149	>100%
- Indonesia	405	768	(47%)	(166)	(261)	36%
- Hong Kong and China	5,131	4,792	7%	759	742	2%
- Philippines	4,680	3,720	26%	903	305	>100%
- Taiwan	574	1,213	(53%)	279	78	>100%
- South Korea	-	-	-	-	1	(100%)
- Cambodia	253	276	(8%)	(42)	168	>(100%)
- Myanmar	-	-	-	(9)	(39)	77%
	<b>29,829</b>	<b>27,252</b>	<b>9%</b>	<b>4,558</b>	<b>487</b>	<b>&gt;100%</b>

The Group registered higher revenue of RM29.83 million and PBT of RM4.56 million in 4Q23 as compared to RM27.25 million in revenue and RM0.49 million of PBT in 4Q22. Malaysia, Singapore, Hong Kong and Philippines business units contributed positively to the Group revenue and PBT in 4Q23. Despite lower revenue posted in Vietnam, Indonesia and Taiwan business units, higher PBT or lower Loss Before Tax ("LBT") was registered in 4Q23 as compared to 4Q22. Business in Cambodia and Myanmar business unit remain unchanged hence the other operating expenses was kept at minimum. The significant improvement in PBT were mainly attributed to the reversal of provision of certain customers' rebate no longer required in Malaysia and Singapore business units amounting to approx RM2.04 million. The PBT further improved from the reversal of impairment losses on trade receivables amounting to RM0.64 million, results from the effort of collection team.

In 4Q23, Malaysia business unit recorded a higher revenue of RM13.04 million and PBT of RM2.00 million in 4Q23, compared with the revenue of RM9.81 million and LBT of RM0.23 million in 4Q22, representing 33% increase in revenue and more than nine folds PBT. Despite facing vulnerable market conditions, Malaysia business unit continued to achieve improvements in client portfolio expansion and received repeated digital advertising spending from existing clients. The turnaround financial results in PBT was mainly contributed from the reversal of the current year and prior years provision of certain customers' rebate no longer required amounting to RM0.99 million and RM0.46 million respectively.

Despite the challenging market conditions, Singapore business unit continued to achieve a higher revenue by 27%. The revenue grew to RM2.95 million in 4Q23 from RM2.32 million in 4Q22. The growth in revenue was mainly due to the higher digital advertising spending from a few major customers coupled with an additional contribution from new customers. The positive turnaround results from LBT of RM0.43 million to PBT RM83,000 was in tandem with the higher revenue and gross profit achieved.

In the quarter under review, the Vietnam business unit's revenue reduced by RM1.55 million or 36% from RM4.35 million to RM2.80 million as business remained challenging due to stiff competition in the local market. Lower other operating expenses was recorded in 4Q23, which has results in a higher PBT at RM0.75 million as compared to RM0.15 million in the same quarter in preceeding year.

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

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

*Current Quarter ("4Q23") compared with Comparative Quarter of Preceding Year ("4Q22") (Cont'd)*

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

For the 4Q23, Indonesia business unit's revenue and LBT decreased by 47% and 36% respectively compared to 4Q22. The digital advertising landscape in Indonesia is highly competitive, Indonesia business unit is in the midst of implementing new strategies to regain the market share. Lower LBT was registered in 4Q23 mainly due to the lower other operating expenses incurred in 4Q23.

The Hong Kong economy's revival continued in fourth quarter 2023, with the gross domestic product ("GDP") rising by 4.3% year on year, contrasting with a GDP contraction of 4.1% in 2022. The positive economic sentiment has consequently contributed to revenue growth of 7% from RM4.79 million in 4Q22 to RM5.13 million in 4Q23. The marginal increase of 2% in PBT was consistent with the increase in revenue. China business remains challenging and no business activities were carried out during the current quarter.

In 4Q23, the Philippines business unit recorded higher revenue and a higher PBT of RM4.68 million and RM0.90 million, respectively, compared to revenue of RM3.72 million and a PBT of RM0.31 million in 4Q22, representing a 26% increase in revenue and almost threefold increase in PBT. Philippines business unit continues to benefit from the increased digital advertising spending from existing customers coupled with a new key customer who spent heavily during the quarter under review. The higher PBT was mainly due to the higher revenue achieved which produced a higher gross profit margin coupled with gains on the reversal of impairment of trade receivables resulting from the collection of long outstanding debts.

Taiwan business unit continued to post negative growth due to the slow customer demand, about 53% lower than the corresponding quarter in the preceeding year. Despite the drop in revenue, PBT was recorded higher at RM0.28 million in 4Q23 compared to RM0.08 million PBT in 4Q22. The higher PBT was mainly due to the increased gain on the foreign currency recorded in the current quarter.

South Korea business unit has ceased business effective from June 2022 and it was dissolved on 10 April 2023. No revenue and no PBT were recorded at 4Q23 as compared to PBT of RM1,000 recorded in 4Q22.

For 4Q23, Cambodia business unit's revenue declined by 8% to RM0.25 million compared to RM0.28 million in the same quarter last year. The decline in revenue was due to the absence of digital advertising spending from a few existing customers in the current quarter compared to the corresponding quarter in 2022. The business unit incurred LBT at RM42,000 compared to PBT of RM0.17 million in the same quarter last year mainly due to lower revenue and lower sales mix margins.

The economic activities of the Myanmar business unit remained challenging and uncertain amidst high inflation, currency volatility, and rising trade and logistics disruptions. With this, no business activities were recorded in the Myanmar business unit. An LBT was incurred in 4Q23 and 3Q22 at RM9,000 and RM39,000, respectively, representing a 77% decrease in LBT.

**QUARTERLY REPORT FOR THE FOURTH 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 31.12.2023 RM'000</b>	Immediate preceding quarter ended 30.09.2023 RM'000	% change
<b>Overall performance analysis</b>			
Revenue	<b>29,829</b>	28,305	5%
Profit/(Loss) from operations	<b>4,693</b>	(1,309)	>100%
Finance costs	<b>(63)</b>	(61)	(3%)
Share of loss in equity-accounted associates, net of tax	<b>(72)</b>	(86)	16%
Profit/(Loss) before tax	<b>4,558</b>	(1,456)	>100%
Profit/(Loss) after tax	<b>3,875</b>	(1,705)	>100%
Profit/(Loss) attributable to Owners of the Company	<b>3,573</b>	(1,266)	>100%

For the fourth quarter in 2023, the group's revenue increased by 5% to RM29.83 million from RM28.31 million as compared to the immediate preceding quarter. In the last quarter in 2023, Singapore, Hong Kong, Vietnam, Philippines and Cambodia business units received a higher revenue growth compared to immediate preceding quarter. The Group's PBT improved significantly by more than fourfold from a LBT of RM1.46 million to RM4.56 million PBT. The improvement was mainly due to the reversal of provision of certain customers' rebate no longer required in Malaysia and Singapore business units amounting to approx RM2.04 million, coupled with RM0.64 million gains from the reversal of impairment losses on trade receivables.

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

(a) Prospects for the financial year ending 31 December 2024

The global headwinds have resulted in turbulence over the preceding quarters. Looking ahead, the current unstable macroeconomic environment appears unlikely to stabilize soon, given ongoing geopolitical instability across various regions and persistent inflationary pressures. The directors remain cautiously optimistic about the group's prospects for the financial year ending on 31 December 2024. Nevertheless, the management remains committed to sustaining the business by delivering effective, data-driven online advertising solutions to meet advertisers' needs.

The group will focus on a broad range of marketing solutions, encompassing Branding & Interactive Advertising, Influencer & KOC Marketing, Sponsored Content & Community Marketing, and E-commerce Performance Marketing. These services are customized to enhance audience engagement and revenue streams for our partners, with a particular focus on helping SMEs better engage with their audience to achieve higher 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 FOURTH 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. Profit/(Loss) before tax**

Profit/(Loss) before tax is arrived at after charging:	Note	Current quarter ended 31.12.2023 RM'000	Comparative quarter ended 31.12.2022 RM'000	Current year-to-date ended 31.12.2023 RM'000	Comparative year-to-date ended 31.12.2022 RM'000
Amortisation of development expenditure	(i)	368	397	1,473	1,585
Allowance for doubtful debts	(i)	-	(62)	-	16
Bad debt written off	(i)	-	1	-	74
Depreciation	(i)	579	353	2,199	1,528
Impairment loss on financial assets					
- trade receivable	(i)	210	(4)	230	118
Interest expense					
- bank overdraft	(i)	12	1	31	35
- lease rental interest	(i)	47	25	179	89
- Term loan interest	(i)	4	4	16	13
Inventory written off	(i)	-	-	-	2
Loss on foreign exchange					
- realised		(16)	196	100	370
- unrealised	(i)	(90)	(83)	212	817
Loss on lease modification	(i)	39	-	46	47
Property, plant and equipment written off	(i)	1	-	24	2
Retirement benefits	(i)	(43)	159	46	175
<b>And (crediting):</b>					
Allowance for doubtful debts no longer required	(i)	-	-	-	(10)
Gain on disposal of plant and equipment, net	(i)	-	-	-	(1)
Gain on lease modification	(i)	-	(127)	-	(127)
Gain on foreign exchange					
- realised		28	34	(107)	(61)
- unrealised	(i)	63	715	(468)	(820)
Interest income	(i)	(127)	(31)	(225)	(120)
Other income					
Reversal of impairment losses on financial assets					
- trade receivable	(i)	(590)	24	(637)	(14)
Miscellaneous		(59)	28	(170)	(551)

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

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

**B7. Taxation**

	<b>Current quarter ended 31.12.2023 RM'000</b>	Comparative quarter ended 31.12.2022 RM'000	<b>Current year-to- date ended 31.12.2023 RM'000</b>	Comparative year-to- date ended 31.12.2022 RM'000
In respect of the current year				
Income tax				
Malaysia	<b>631</b>	78	<b>735</b>	457
Outside Malaysia	<b>183</b>	264	<b>635</b>	359
Overprovision in respect of prior years				
Malaysian income tax	<b>(26)</b>	(27)	<b>(43)</b>	(23)
Outside Malaysia	<b>(10)</b>	(12)	<b>(10)</b>	(12)
Deferred taxation	<b>(95)</b>	(231)	<b>142</b>	327
	<b>683</b>	72	<b>1,459</b>	1,108

Income tax and defer tax liabilities were recorded in the following Malaysia and Regional business units:

- i) In 4Q23 and 12M23, Malaysia business units namely Innity Sdn Bhd effective tax rate was higher than the statutory tax rate due to certain expenses is non deductible for tax purposes. On the other hand, Domedia Asia Sdn Bhd, having slightly higher effective tax rate due to creation of deferred tax asset from deductible temporary differences; and
- ii) Philippines business unit effective tax rate was higher than the statutory tax rate 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 31.12.2023			
Bank overdraft	-	1,367	1,367
Term loan	246	34	280
	<b>246</b>	<b>1,401</b>	<b>1,647</b>
As at 31.12.2022			
Bank overdraft	-	-	-
Term loan	278	32	310
	<b>278</b>	<b>32</b>	<b>310</b>

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

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

**B9. Changes in material litigation**

As at 14 February 2024 (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 FOURTH 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.

Saved as disclosed above, there were no other material litigation that may have a material impact on the financial position and business of the Group as at reporting date.

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 FOURTH 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 31 December 2023.

**QUARTERLY REPORT FOR THE FOURTH QUARTER 2023**

**B11. Earning Per Share ("EPS")/Loss Per Share ("LPS") attributable to Owners of the Company**

	<b>Current quarter ended 31.12.2023</b>	Comparative quarter ended 31.12.2022	<b>Current year-to-date ended 31.12.2023</b>	Comparative year-to-date ended 31.12.2022
<b>Basic (EPS)/(LPS)</b>				
Profit/(Loss) attributable to Owners of the Company (RM'000)	<b>3,573</b>	406	<b>(1,101)</b>	(80)
Weighted average number of ordinary shares in issue ('000)	<b>139,403</b>	139,403	<b>139,403</b>	139,403
<b>Basic (EPS)/(LPS) (sen)</b>	<b>2.56</b>	<b>0.29</b>	<b>(0.79)</b>	<b>(0.06)</b>

Diluted earnings per share is not computed as the Company does not have any convertible financial instruments as at 31 December 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 14 February 2024 (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 22 February 2024.

**By Order of the Board**

**Phang Chee Leong**  
Executive Chairman

22 February 2024