

IDIMENSION CONSOLIDATED BHD (925990-A)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		2019 (Unaudited)	2018 Audited	2019 (Unaudited)	2018 Audited
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/6/2019 RM'000	30/6/2018 RM'000	30/6/2019 RM'000	30/6/2018 RM'000
Revenue	B 1	3,961	(41,741)	11,937	N/A
Cost of sales		(3,272)	41,766	(8,695)	N/A
Gross profit		689	25	3,242	N/A
Other income		126	784	295	N/A
Administration expenses		(15,871)	1,652	(20,791)	N/A
Loss on deconsolidation		-	(580)	-	N/A
Finance costs		(80)	(92)	(310)	N/A
Profit / (Loss) before taxation	B 2	(15,136)	1,789	(17,564)	N/A
Taxation	B 5	(52)	167	(17)	N/A
Profit / (Loss) for the financial period		(15,188)	1,956	(17,581)	N/A
Other comprehensive profit / (loss)		7	(68)	15	N/A
Total comprehensive profit / (loss) for the financial period		(15,181)	1,888	(17,566)	N/A
Profit / (Loss) attributable to:					
Owners of the company		(15,188)	1,956	(17,581)	N/A
Non-controlling interest		-	-	-	N/A
		(15,188)	1,956	(17,581)	N/A
Total comprehensive profit / (loss) attributable to :					
Owners of the company		(15,181)	1,888	(17,566)	N/A
Non-controlling interest		-	-	-	N/A
		(15,181)	1,888	(17,566)	N/A
Weighted average number of shares in issue ('000)		271,962	543,924	271,962	N/A
Earnings per share (sen) - basic	B 10	(5.58)	0.36	(6.46)	N/A
- diluted	B 10	(5.58)	0.36	(6.46)	N/A

Note 1:

In the previous year, the Company changed its financial year end from 31 Dec 2017 to 30 Jun 2018. Hence, there were no comparative financial information available for the cumulative quarter.

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2019 and the accompanying explanatory notes attached to this interim financial report.

IDIMENSION CONSOLIDATED BHD (925990-A)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	(Unaudited)	(Audited)
	AS AT	AS AT
Note	30/6/2019	30/6/2018
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	12,404	12,242
Investment property	137	140
Intangible assets	-	-
Investment	-	9,027
Trade and other receivables	-	5,013
	<u>12,541</u>	<u>26,422</u>
Current Assets		
Other investments	4,377	-
Inventories	31	73
Trade and other receivables	3,821	7,029
Current tax assets	155	407
Cash and bank balances	5,147	9,571
	<u>13,531</u>	<u>17,080</u>
TOTAL ASSETS	<u><u>26,072</u></u>	<u><u>43,502</u></u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	21,233	21,233
Share premium	-	-
Exchange translation reserve	597	582
Capital reduction reserve	-	13,716
Accumulated losses	(6,743)	(2,841)
TOTAL EQUITY	<u>15,087</u>	<u>32,690</u>
LIABILITIES		
Non-current Liabilities		
Borrowings	B 7 3,895	4,282
Deferred tax liabilities	69	-
	<u>3,964</u>	<u>4,282</u>
Current Liabilities		
Trade and other payables	5,737	4,309
Borrowings	B 7 1,284	2,101
Current tax liabilities	-	120
	<u>7,021</u>	<u>6,530</u>
TOTAL LIABILITIES	<u>10,985</u>	<u>271,962</u>
TOTAL EQUITY AND LIABILITIES	<u><u>26,072</u></u>	<u><u>304,652</u></u>
Net assets per share attributable to owners of the Company (RM)	0.06	0.06

Note:

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2019 and the accompanying explanatory notes attached to this interim financial report.

IDIMENSION CONSOLIDATED BHD (925990-A)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	-----Attributable to the Owners of the Company-----					Total
	---Non-distributable---			Distributable		
	Issued Capital	Share Premium	Exchange translation reserve	Capital Reduction reserve	Accumulated Losses	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as of 1 July 2018	21,233	-	582	13,716	(2,841)	32,690
Restatement for adoption of MFRS 9		-	-	-	(37)	(37)
Restated balance as of 1 July 2018	21,233	-	582	13,716	(2,878)	32,653
Loss for the financial period	-	-	-	-	(17,581)	(17,581)
Foreign currency translations, net of tax	-	-	15	-	-	15
Total comprehensive profit / (loss)	-	-	15	-	(17,581)	(17,566)
Transaction with owner						
Capital reduction	-	-	-	(13,716)	13,716	-
Total transaction with owner	-	-	-	(13,716)	13,716	-
Balance as at 30 June 2019	<u>21,233</u>	<u>-</u>	<u>597</u>	<u>0</u>	<u>(6,743)</u>	<u>15,087</u>

	-----Attributable to the Owners of the Company-----					Total
	---Non-distributable---			Distributable		
	Issued Capital	Share Premium	Exchange translation reserve	Capital Reduction reserve	Accumulated Losses	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as of 1 July 2017	N/A	N/A	N/A	N/A	N/A	N/A
Profit / (Loss) for the financial period	N/A	N/A	N/A	N/A	N/A	N/A
Foreign currency translations, net of tax	N/A	N/A	N/A	N/A	N/A	N/A
In the previous year, the Company changed the period	N/A	N/A	N/A	N/A	N/A	N/A
Balance as at 30 June 2018	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Note:

In the previous year, the Company changed its financial year end from 31 Dec 2017 to 30 Jun 2018. Hence, there were no comparative financial information available.

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2018 and the accompanying explanatory notes attached to this interim financial report.

IDIMENSION CONSOLIDATED BHD (925990-A)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	(Unaudited)	(Audited)
	12 Months	12 Months
	Ended	Ended
	30/6/2019	30/6/2018
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	(17,564)	N/A
Adjustment for:		
Amortisation of investment properties	3	N/A
Depreciation of property, plant & equipment	673	N/A
Gain on disposal of property, plant & equipment	(61)	N/A
Impairment losses on:		
- trade receivables	824	N/A
- other investment	9,027	N/A
- amount owing by a deconsolidated subsidiary	6,269	N/A
Interest income	(181)	N/A
Interest expenses	310	N/A
Loss on disposal of a subsidiary	97	N/A
Reversal of fair value adjustment on amount owing by a deconsolidated subsidiary	(1,304)	N/A
Reversal of impairment on trade receivables	(46)	N/A
Unrealised (gain) / loss on foreign exchange currency	(19)	N/A
Written off		
- Trade receivables	13	N/A
- Property, plant and equipments	2	N/A
	<hr/>	<hr/>
Operating profit before working capital changes	(1,957)	N/A
Inventories	42	N/A
Amount due from/(to) customers	-	N/A
Trade and other receivables	2,448	N/A
Trade and other payables	1,443	N/A
	<hr/>	<hr/>
Cash generated from/(used) in operations	1,976	N/A
Tax paid / (refunded)	151	N/A
	<hr/>	<hr/>
Net cash generated from/(used) in operating activities	2,127	N/A
Cash Flows from Investing Activities		
Interest received	181	N/A
Purchase of property, plant and equipment	(1,085)	N/A
Proceeds from disposal of PPE	-	N/A
Deposit placed with a licensed bank with original maturity more than 3 months	(78)	N/A
Short term investment	(7,903)	N/A
Uplift of short term investment	3,526	N/A
Net cash flow from a disposal of a subsidiary	(79)	N/A
	<hr/>	<hr/>
Net cash generated (used in)/from investing activities	(5,438)	N/A
Cash Flows from Financing Activities		
Repayment from borrowings	(1,256)	N/A
Drawdown borrowings	360	N/A
Interest paid	(310)	N/A
	<hr/>	<hr/>
Net cash generated used in financing activities	(1,206)	N/A
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,517)	N/A
Foreign exchange differences	15	N/A
Cash and Cash Equivalents at beginning of period	9,371	N/A
Cash and Cash Equivalents at end of period	4,869	N/A
	<hr/>	<hr/>
Cash and Cash Equivalents at end of period comprise of the followings:-		
Cash and bank balances	4,869	N/A
Deposit placed with original maturity more than 3 months	278	N/A
	<hr/>	<hr/>
	5,147	N/A

Note:

In the previous year, the Company changed its financial year end from 31 Dec 2017 to 30 Jun 2018. Hence, there were no comparative financial information available.

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2019 and the accompanying explanatory notes attached to this interim financial report.

IDIMENSION CONSOLIDATED BHD (Company No. 925990-A)

NOTES TO THE QUARTERLY REPORT – 30 JUNE 2019

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in the Malaysia Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should read in conjunction with the audited financial statements for the financial period ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

The financial statements of the Group have been prepared under the historical cost convention except as otherwise stated in the interim financial statements.

The accounting policies and methods adopted by the Group in this interim financial report are consistent with the audited financial statements for the financial period ended 30 June 2018 except for the effects of adoption of new MFRS during the financial period.

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018

The adoption of the above Standards did not have any significant impact on the interim financial report upon their initial application, other than as disclosed below :

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A1. Basis of Preparation (Cont'd)

MFRS 9 – Financial Instruments

The Group applies the simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance on trade receivables.

The Group has established a provision matrix that is based on its past repayment records, length of account establishment and analyses of the trade receivables current financial conditions by incorporate all available information which is relevant to the assessment.

The expected loss rates are based on the historical repayment trends and the corresponding historical credit losses experience, adjusted for forward-looking factors specific to the receivables and the economic environment which could affect the receivables' ability to pay.

The impact on the carrying amounts of financial assets and accumulated losses resulting from the adoption of MFRS 9 as at 1 July 2018 is as follows:

	30 June 2018 - MFRS 139 RM '000	Effect on adoption of MFRS 9 RM'000	1 July 2018 - MFRS 9 RM'000
GROUP			
Financial assets			
Loan and receivables			
- Trade and other receivables excluding prepayments	11,949	(37)	11,912
- Cash and cash equivalents	9,571	-	9,571
Equity			
- Accumulated losses	(2,841)	(37)	(2,878)

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A2. Auditors' Report

The auditor, Messrs. BDO had expressed an adverse opinion in the audited financial statements for the financial period from 1 January 2017 to 30 June 2018 on the basis that the Group had deconsolidated the financial statements of a wholly-owned subsidiary, IDB Interactive Sdn. Bhd. ("IDB") for the financial period from 1 January 2017 to 30 June 2018 could not be finalized due to on-going material litigations and the inability of the Group to access the records and information of IDB.

Messrs. BDO is of the opinion that the deconsolidation of the subsidiary is not in accordance with the accounting policies of the Group as well as Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Board of Directors ("BOD") had on 29 October 2018 and 30 October 2018 further announced that the adverse opinion from the auditor is mainly due to their disagreement with the decision of BOD to treat its subsidiary, IDB purely as an investment (as opposed to a subsidiary to be consolidated) which is in accordance to the law and financial reporting standards.

The key reasons for this decision emanates from the Group's inability to obtain access to IDB's accounting and other records in order to verify the accuracy of the financial information of IDB for the financial period to present a true and fair view of the Group's financial position and affairs and to facilitate Company's regulatory filing obligations with the relevant bodies including Bursa Malaysia.

Further details are disclosed in the announcement - Audit report – Modified opinion / Material uncertainty related to going concern : Adverse Opinion dated 29 October 2018 and 30 October 2018.

A3. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date under review.

A5. Material Changes in Estimates

There were no changes in the estimate of amounts reported in the prior interim periods of the current financial year, or in previous years, which have material effect on the current quarter under review.

A6. Changes in Debts and Equity Securities

There were no issuance and repayment of debt or equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares during the financial year-to-date under review.

A7. Dividend Paid

There were no dividends paid during the quarter under review.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A8. Segmental Reporting

The segmental revenue and results for the current period to date under review are as follows:-

	IT business RM'000	Online games * RM'000	Investment holding RM'000	Elimination RM'000	Group RM'000
30 June 2019					
Revenue					
External revenue	11,937	-	-	-	11,937
Inter-segment revenue	5,309	-	1,134	(6,443)	-
Total segment revenue	17,246	-	1,134	(6,443)	11,937
Results					
Interest income	406	-	72	(297)	181
Finance costs	(310)	-	(297)	297	(310)
Depreciation and amortization	(241)	-	(435)	-	(676)
Impairment losses on:					
- trade receivables	(1,035)	-	-	211	(824)
- other investment	-	-	(9,027)	-	(9,027)
- amount owing by a deconsolidated subsidiary	-	-	(6,269)	-	(6,269)
Reversal of impairment on trade receivables	46	-	-	-	46
Reversal of fair value adjustment on amount owing by a deconsolidated subsidiary	-	-	1,304	-	1,304
Loss on disposal of a subsidiary	-	-	-	(97)	(97)
Segment loss before tax	(1,530)	-	(16,142)	108	(17,564)
Tax expense	(15)	-	(2)	-	(17)
Segment profit/(Loss)	(1,545)	-	(16,144)	108	(17,581)

**In the previous year, The Group had deconsolidated the financial statements of IDB Interactive Sdn. Bhd. (online games business segment) from the financial statements of the Group. Details are disclosed in the audited financial statements for the financial period ended 30 June 2018.*

No comparative financial information available for the segmental revenue and results for the preceding year's corresponding financial year-to-date as the company changed its financial year end from 31 Dec 2017 to 30 Jun 2018.

A9. Changes in the Composition of the Group

On 2 May 2019, the Company announced that its wholly-owned subsidiary, OS Solutions Sdn Bhd ("OSSB") had on 2nd May 2019 commenced member's voluntarily winding-up ("Winding-Up") pursuant to Section 439(1)(b) of the Companies Act 2016.

Other than the above mentioned, there is no other changes in the composition of the Group.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A10. Subsequent Material Events

On 29 October 2018, the Company announced that it is now a GN3 status company as it has triggered the prescribed criteria under paragraph 2.1(f) of Guidance Note 3 ('GN3') of the ACE Market Listing Requirements ('AMLR') of Bursa Malaysia Securities Berhad ('Bursa Securities') following the adverse opinion expressed by its External auditor, Messrs. BDO on the Audited Financial Statements for the financial period ended 30 June 2018.

On 8 January 2019, KAF Investment Bank Berhad has been appointed as a Sponsor for the Company pursuant to Rule 8.04(3)(a)(ii) of the AMLR of Bursa Securities.

On 17 June 2019, the Company entered into the Memorandum of Understanding ('MOU') with Wiki Labs Sdn. Bhd. and Wiki Lab Solutions Sdn. Bhd.

The Company is still in the midst of formulating its regularisation plan to address its GN3 status.

Other than the above, there were no significant events subsequent to the current quarter up to the date of this interim financial report.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

The Group recorded a total revenue of RM3.96 million for the current quarter compared to a negative RM41.7 million in the correspondence quarter of preceding year. The negative RM41.7 million in the correspondence quarter of preceding year mainly due to deconsolidated the financial statements of IDB Interactive Sdn. Bhd. (online games business segment) from the financial statements of the Group.

The Group recorded a loss before taxation of RM15.14 million in the current quarter mainly due to the impairment loss on other investment and amount owing by IDB Interactive Sdn Bhd (online games business segment) and impairment on expected credit loss on trade receivables.

For year to date, the Group recorded a total revenue of RM11.94 million and the loss before taxation of RM17.56 million.

1) IT Business

The revenue for the current quarter is RM3.96 million compared to RM3.40 million in the correspondence quarter a year ago, an increased of 16.47%. Although the revenue was slightly increased in the current quarter, the market remain competitive and uncertain.

The IT business segment recorded a loss before taxation of RM1.53 million mainly due to the impairment on expected credit loss on trade receivables of RM 0.82 million.

2) Investment Holding

Investment holding company has been identified as the new segmentation following the deconsolidation of online game business segment in the audited financial statements for the financial period ended 30 June 2018.

The revenue for the year to date was RM1.13 million which comprises of management fees received or receivable from its subsidiaries. The investment holding segment has recorded a loss before taxation of RM16.14 million mainly due to the impairment loss on other investment and amount owing by IDB Interactive Sdn Bhd (online games business segment) and the high administrative expenses on professional charges on the two (2) major on-going litigation cases.

B2. Material Change in the (Loss) / Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

	Current Quarter 30 June 2019 RM'000	Preceding Quarter 31 Mar 2019 RM'000
Revenue	3,961	2,573
Profit / (Loss) before taxation	(15,136)	(1,362)

The Group recorded a total revenue of RM3.96 million compared to RM2.57 million in the preceding quarter.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B2. Material Change in the (Loss) / Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter (cont'd)

The loss before taxation for the current quarter recorded as RM15.14 million compared to RM1.36 million in the preceding quarter, a huge losses of RM13.78 million. This was mainly due to the impairment loss on investment and amount owing by IDB Interactive Sdn Bhd (online games business segment).

B3. Future Prospects

The business environment remain challenging and competitive. The management will continue their best effort to explore new business opportunity on its core activities in IT business to sustain the performance of the Group.

In addition, the Company is also in the midst of formulating an appropriate regularisation plan to uplift from its GN3 status.

B4. Profit Forecast and Profit Guarantee

The Group has not issued or disclosed in any public documents any profit forecast or profit guarantee for the current quarter under review.

B5. Taxation

	Current Quarter	12 months
	30 June 2019	to date
	RM'000	30 June 2019
		RM'000
Current year taxation	(17)	36
Under/(Over) provision in prior year	-	(88)
Deferred taxation	69	69
	<u>52</u>	<u>17</u>

The Company and some of its subsidiaries are in the adjusted business loss position and there are unabsorbed business losses and unutilized capital allowances to offset against future taxable income.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B6. Status of Corporate Proposals

There were no other corporate proposals announced as at the date of this report.

B7. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2019 are as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
<u>Secured</u>			
Term loan	1,218	3,618	4,836
Hire purchase & Finance lease payable	66	277	343
	<u>1,284</u>	<u>3,895</u>	<u>5,179</u>

The Group does not have any unsecured borrowings and debt securities as at 30 June 2019.

All borrowings of the Group are denominated in Ringgit Malaysia

B8. Material Litigation

(a) Civil Suit No. WA-22NCC-194-05/2018 ('Suit 194')

On 30 May 2018, IDB Interactive Sdn Bhd ('IDB') had instructed its solicitors to lodge a Writ of Summons and Statement of Claim to High Court of Malaya at Kuala Lumpur with Civil Suit No. WA-22NCC-194-05/2018 ('Suit 194') against the following defendants:

Online E-Club Management Sdn. Bhd. ("1st Defendant")
E-Club Interactive Sdn. Bhd. ('2nd Defendant')
EClub Hong Kong Pte. Ltd. ('3rd Defendant')
Yap Tet Soon (trading as Yap Outsourcing Services) ('4th Defendant')

(collectively referred to as 'Defendants')

essentially to demand the delivery up of business, financial and/or management documents and information belonging to IDB for the financial years 2013 to 2017 (collectively referred to as 'IDB's Documents and Information'), which were in the possession, custody or power of the Defendants. IDB also sought an injunction to restrain the Defendants from dealing with IDB's Documents and Information as well as damages and costs.

On 26 November 2018, the Kuala Lumpur High Court:-

- (i) dismissed the striking out application that had been filed by the 1st & 2nd Defendants with costs of RM5,000.00 to the Plaintiff;
- (ii) dismissed the striking out application that had been filed by the 4th Defendant with costs of RM5,000.00 to the Plaintiff;
- (iii) dismissed the 4th Defendant's expungement application; and
- (iv) ordered the 1st and 2nd Defendants to pay costs of RM3,000.00 to the Plaintiff in respect of the 1st and 2nd Defendants' expungement application that had been previously withdrawn.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

(a) **Civil Suit No. WA-22NCC-194-05/2018 ('Suit 194') (cont'd)**

On 7 March 2019, the 4th Defendant filed an application for discovery of documents against IDB ('4th Defendant's Discovery Application').

On 21 March 2019, the 1st to 3rd Defendants in Suit 194 filed an application to transfer Suit 194 to the High Court hearing Suit 392 (as defined below). A consent order dated 25 March 2019 ('Consent Order') was subsequently recorded by all parties for Suit 194 to be transferred to the High Court hearing Suit 392. All hearing and trial dates previously fixed for Suit 194 were consequently vacated.

(b) **Civil Suit No. WA-22NCC-392-09/2018 ('Suit 392')**

IDB had on 6 September 2018 been served with a Writ and Statement of Claim dated 4 September 2018 commenced by Online E-Club Management Sdn. Bhd. ('Online E-Club') against IDB.

Vide Suit 392, Online E-Club was *inter alia* seeking a declaration from the High Court that Online E-Club had lawfully terminated an agreement dated 22 May 2013 ('Valve Exclusive Distributorship Agreement') between Online E-Club and Selingsing Xpress Sdn. Bhd. as well as damages, interest and costs. IDB was formerly known as Selingsing Express Sdn. Bhd. Suit 392 was essentially premised on the grounds that IDB had breached express or implied terms of the Valve Exclusive Distributorship Agreement.

On 21 November 2018, IDB commenced a counterclaim against Online E-Club and 13 other parties ('Counterclaim') for *inter alia* conspiracy to injure and/or defraud and breach of duties owed to IDB in relation to the Valve Exclusive Distributorship Agreement. The reliefs prayed for were *inter alia* a declaration that the termination of Valve Exclusive Distributorship Agreement was unlawful, a declaration that the business and operation of the Valve Exclusive Distributorship Agreement was held on trust for IDB, return of the business and operations of the Valve Exclusive Distributorship to IDB as well as damages.

On 13 February 2019, Suit 392 was fixed for trial from 8 to 10 October 2019 and 21 to 24 October 2019.

On 18 February 2019, IDB filed an application for Suit 392 to be transferred and heard together with Suit 194.

As stated above, the Consent Order was subsequently recorded by all parties for Suit 194 to be transferred to the High Court hearing Suit 392. Consequently, on 27 March 2019, IDB proceeded to record, with the consent of the other parties in Suit 392, the withdrawal of IDB's application to transfer Suit 392 to be heard together with Suit 194 with no order as to costs.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B8. Material Litigation (cont'd)

(b) **Civil Suit No. WA-22NCC-392-09/2018 ('Suit 392') (cont'd)**

Developments subsequent to the Consent Order

On 17 April 2019, parties appeared before the High Court for case management of Suit 194 and Suit 392. The High Court fixed 20 June 2019 for hearing of the 4th Defendant's Discovery Application and further case management of Suit 194 & Suit 392.

On 20 June 2019, the High Court directed for the trial of Suit 392 to proceed first prior to the trial of Suit 194. Pre-trial directions were subsequently issued and a further pre-trial case management was fixed on 27 September 2019. As regards the 4th Defendant's Discovery Application, the High Court after hearing parties allowed the said application in part and with modifications to the prayers sought by the 4th Defendant therein ('High Court Discovery Order').

On 21 June 2019, IDB filed an appeal to the Court of Appeal against the High Court Discovery Order. On 2 July 2019 the Court of Appeal granted a stay of the High Court Discovery Order pending the hearing of IDB's aforesaid appeal to the Court of Appeal.

The hearing of IDB's aforesaid appeal to the Court of Appeal against the High Court Discovery Order is currently fixed for case management on 27 August 2019.

Application for Security of Costs in Suit 392

IDB has recently received applications for security of costs from the 4th to 7th Defendants (in the Counterclaim) and the 8th to 13th Defendants (in the Counterclaim) in Suit 392. Both applications have been fixed for case management before the High Court on 28 August 2019.

(c) **Session Court Suit No. : WA-B52-47-08/2019 ('Suit 47')**

IDB had on 22 August 2018 been served with a Writ and Statement of Claim dated 19 August 2019 in Suit 47 commenced by E-Club Interactive Sdn Bhd ('E-Club Interactive') against IDB.

Briefly, vide Suit 47, E-Club Interactive is seeking for the payment of monies previously allegedly advanced to IDB amounting to RM895,958.28. E-Club Interactive inter alia claims these monies were advanced at IDB's request to meet certain expenses required by IDB to run its business. E-Club Interactive's prayers in the Statement of Claim are for: -

- (i) an outstanding of RM895,958.28 against IDB;
- (ii) interest at 5% per annum from the date of the filing of this action to the date of judgement;
- (iii) interest at 5% per annum on the judgement sum from the date of judgement to the date of full payment;
- (iv) costs; and
- (v) any such further or other relief that the Honourable Court may deem fit and proper in the circumstances.

IDB is required to enter their appearance to the above action within 14 days from 22 August 2019. Suit 47 has been fixed for case management before the Kuala Lumpur Sessions Court on 29 August 2019.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B9. Dividend

There were no dividends declared during the current quarter under review.

B10. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of shares in issue for the financial period, computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	12 mths to-date	Preceding 12 months Corresponding to date
Profit/(Loss) attributable to the owners of the Company (RM'000)	(15,188)	1,956	(17,581)	N/A
Weighted average number of ordinary shares in issue ('000)	271,962	543,924	271,962	N/A
Basic earnings per share (sen)	(5.58)	0.36	(6.46)	N/A

(b) Diluted earnings per share

The basic and diluted earnings of the Company are the same as the warrants are not included in the calculation of diluted earnings per share because warrants are antidilutive during the current quarter and financial year-to-date.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD – CONT'D

B12. Profit for the Period

This is arrived at after charging/(crediting) the following items:

	Current Quarter 30 June 2019 RM'000	Year To Date 30 June 2019 RM'000
Interest income	52	181
Other income	73	113
Interest expenses	(80)	(310)
Depreciation and amortization	(132)	(676)
Impairment losses on:		
- trade receivables	(103)	(824)
- other investment	-	(9,027)
- amount owing by a deconsolidated subsidiary	-	(6,269)
Reversal of fair value adjustment on amount owing by a deconsolidated subsidiary	-	1,304
Loss on disposal of subsidiary	-	(97)
Unrealised Foreign exchange gain/(loss)	9	19
Realised Foreign exchange gain/ (loss)	18	42

Other disclosure items required pursuant to Note 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.