



MCOM HOLDINGS BERHAD

(Company No. 1248277-X)

(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 30 JUNE 2019**

**CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES
BERHAD (“BURSA SECURITIES”)**

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY MCOM HOLDINGS BERHAD (“MCOM” OR THE “COMPANY”). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.



MCOM HOLDINGS BERHAD

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**UNAUDITED CONDENSED STATEMENTS OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2019**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.06.2019 RM'000	30.06.2018 ⁽¹⁾ RM'000	30.06.2019 RM'000	30.6.2018 ⁽¹⁾ RM'000
Revenue	2,838	8,939	2,838	8,939
Cost of Sales	(1,239)	(1,764)	(1,239)	(1,764)
Gross Profit	1,599	7,175	1,599	7,175
Other Income	46	202	46	202
Selling and distribution expenses	(4)	(1,053)	(4)	(1,053)
Administrative expenses	(3,774)	(3,868)	(3,774)	(3,868)
Other expenses	(374)	(238)	(374)	(238)
(Loss)/Profit from operating activities	(2,507)	2,218	(2,507)	2,218
Finance Costs	(7)	(14)	(7)	(14)
(Loss)/Profit before tax	(2,514)	2,204	(2,514)	2,204
Income tax expense	(1)	(12)	(1)	(12)
(Loss)/Profit for the period	(2,515)	2,192	(2,515)	2,192
Other comprehensive income/(expense)	21	(449)	21	(449)
Total comprehensive (expense)/income for the period	(2,494)	1,743	(2,494)	1,743
(Loss)/Profit after taxation attributable to:				
Owners of the Company	(2,056)	1,814	(2,056)	1,814
Non-controlling interest	(459)	378	(459)	378
	(2,515)	2,192	(2,515)	2,192
Total comprehensive (expense)/income attributable to:				
Owners of the Company	(2,007)	1,454	(2,007)	1,454
Non-controlling interest	(487)	289	(487)	289
	(2,494)	1,743	(2,494)	1,743



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	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.06.2019 RM'000	30.06.2018 ⁽¹⁾ RM'000	30.06.2019 RM'000	30.6.2018 ⁽¹⁾ RM'000
EBITDA	(2,134)	2,456	(2,134)	2,456
Basic EPS ⁽²⁾ (Sen)	-1.21	1.10	-1.21	1.10
GP Margin (%)	56.34%	80.27%	56.34%	80.27%
(LBT)/PBT Margin (%)	-88.58%	24.66%	-88.58%	24.66%
(LAT)/PAT Margin (%)	-88.62%	24.52%	-88.62%	24.52%

Notes:

- (1) *The comparative figures of the Group were presented based on the financial statements of the subsidiaries which were accounted for using the merger method of accounting, as the subsidiaries were under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.*
- (2) *Computed based on PAT attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue.*
- (3) *The basis of preparation of the unaudited Condensed Statements of Comprehensive Income are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.*



MCOM HOLDINGS BERHAD

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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Unaudited	Audited
	As at 30.06.2019	As at 31.12.2018
	(RM'000)	(RM'000)
ASSETS		
Non-current assets		
Equipment	2,648	2,924
Intangible assets	4	29
Other asset	73	69
Total non-current assets	2,725	3,022
Current assets		
Trade receivables	3,280	6,762
Other receivables, deposits and prepayments	9,871	2,363
Amount owing by related parties	17	12
Current tax assets	228	302
Fixed deposits with a licensed bank	-	12
Cash and bank balances	449	1,967
Total current assets	13,845	11,418
TOTAL ASSETS	16,570	14,440
EQUITY		
Share capital	14,613	9,334
Merger deficit	(6,104)	(6,104)
Reserves	4,714	6,721
Equity attributable to owners of the Company	13,223	9,951
Non-controlling interests	(665)	(178)
TOTAL EQUITY	12,558	9,773
LIABILITIES		
Non-current liabilities		
Employee benefits obligation	89	84
Hire purchase payables	148	198
Deferred tax liabilities	70	70
Total non-current liabilities	307	352



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	Unaudited	Audited
	As at 30.06.2019	As at 31.12.2018
	(RM'000)	(RM'000)
Current liabilities		
Trade payables	2,613	3,093
Other payables and accruals	993	1,105
Hire purchase payables	99	97
Current tax liabilities	-	20
Total current liabilities	3,705	4,315
TOTAL LIABILITIES	4,012	4,667
TOTAL EQUITY AND LIABILITIES	16,570	14,440
NET ASSETS PER SHARE⁽¹⁾ (RM)	0.07	0.05

Notes:

- (1) *Net assets per share is calculated based on the Company's enlarged share capital of 188,559,908 shares after the proposed listing*
- (2) *The basis of preparation of the unaudited Condensed Statements of Financial Position are detailed in Note A1 and the accompanying explanatory notes attached to this interim financial report.*



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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2019

	Share Capital (RM'000)	Appropriated Legal reserve (RM'000)	Foreign Exchange Translation Reserve (RM'000)	Merger Deficit (RM'000)	Retained Profits (RM'000)	Attributable to owners of the Company (RM'000)	Non- controlling interest (RM'000)	Total Equity (RM'000)
As at 1 January 2019	9,334	20	(44)	(6,104)	6,745	9,951	(178)	9,773
Total expense for the period	-	-	-	-	(2,055)	(2,056)	(459)	(2,515)
Foreign Currency Translation Differences for Foreign Operations	-	-	48	-	-	49	(28)	21
Total Comprehensive income/(expense) for the financial period	-	-	48	-	(2,055)	(2,007)	(487)	(2,494)
Contribution by and distribution to owners of the Company								
- Issuance of shares	5,279	-	-	-	-	5,279	-	5,279
As at 30 June 2019	14,613	20	4	(6,104)	4,690	13,223	(665)	12,558



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	Share Capital (RM'000)	Appropriated Legal reserve (RM'000)	Foreign Exchange Translation Reserve (RM'000)	Merger Deficit (RM'000)	Retained Profits (RM'000)	Attributable to owners of the Company (RM'000)	Non- controlling interest (RM'000)	Total Equity (RM'000)
As at 1 January 2018	6,604	20	16	(6,104)	6,495	7,031	(519)	6,512
Total income for the period	-	-	-	-	1,814	1,814	378	2,192
Foreign Currency Translation Differences for Foreign Operations	-	-	(360)	-	-	(360)	(4)	(364)
Total Comprehensive (expense)/income for the financial period	-	-	(360)	-	1,814	1,454	374	1,828
Contribution by and distribution to owners of the Company								
- Acquisition of non-controlling interest	(75)	-	-	-	9	(66)	66	-
- Dividends	-	-	-	-	(1,591)	(1,591)	-	(1,591)
- Effects of restructuring exercise	1,721	-	-	-	-	1,721	-	1,721
As at 30 June 2018	8,250	20	(344)	(6,104)	6,727	8,549	(79)	8,470



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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE HALF-YEAR ENDED
30 JUNE 2019**

	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018⁽¹⁾ RM'000
Cash flows (to)/from operating activities		
(Loss)/Profit before taxation	(2,514)	2,204
<i>Adjustments for:</i>		
Amortisation of intangible assets	25	71
Depreciation of equipment	348	167
Equipment written off	1	-(1)
Interest expense	7	14
Unrealised gain on foreign exchange	(1)	(4)
Interest income	(1)	(1)
Operating profit before working capital changes	(2,135)	2,451
(Increase)/Decrease in trade and other receivables	(3,824)	856
Increase in amount owing by related parties	-	(184)
Decrease in trade and other payables	(706)	(1,044)
Decrease in amount owing to related parties	(4)	(387)
Cash (used in)/generated from operations	(6,669)	1,692
Tax refund/(paid)	55	(77)
Interest paid	(7)	(14)
Net cash (used in)/from operating activities	(6,621)	1,601
Cash flows to investing activities		
Interest received	1	1
Purchase of equipment	(70)	(118)
Net cash used in investing activities	(69)	(117)



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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE HALF-YEAR ENDED
30 JUNE 2019**

	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018⁽¹⁾ RM'000
Cash flows from financing activities		
Dividends paid	-	(1,591)
Repayment of hire purchase	(49)	(40)
Proceeds from issuance of ordinary shares	5,280	1,721
Net cash from financing activities	5,231	90
Net (decrease)/increase in cash and cash equivalents	(1,459)	1,574
Effects of foreign exchange translation	(71)	(306)
Cash and cash equivalents at the beginning of the financial period	1,979	1,419
Cash and cash equivalents at end of the financial period	449	2,687
Cash and cash equivalents at end of the financial period comprises of:		
Fixed deposits with a licensed bank	-	12
Cash and bank balances	449	2,675
	449	2,687

Notes:

(1) Negligible as amount is less than RM1,000.



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019

A1 Compliance with Financial Reporting Standard and LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad

Basis of Preparation

The interim financial statements of MCOM and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting.

The interim financial report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

Changes in Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial year ended 31 December 2018.

The Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles

Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters

Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value



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The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:

(i) **MFRS 9 Financial Instruments**

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

The initial application of MFRS 9 is not expected to have any material impact to the financial statements of the Group for the current financial year and prior years as the Group will apply the standard retrospectively from 1 January 2018 with the practical expedients permitted under the standard, and that the comparatives (i.e. current period financial information) will not be restated.

Based on the assessments undertaken, the Group has determined the impact of its initial application of MFRS 9 as follows:

Classification and Measurement

The Group does not expect a significant impact on its statements of financial position on applying the classification and measurement requirements of MFRS 9.

Loans and receivables financial assets are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria to be measured at amortised cost under MFRS 9. Therefore, the Group does not expect the standard to affect the measurement of its debt financial assets

In addition, the Group expects to continue measuring at fair value all financial assets currently held at fair value.

Impairment of Financial Assets

MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' ("ECL") model. In view of strong creditworthiness of the Group's receivables, the Group has concluded that the expected impacts of ECL on trade and other receivables (including related party balances) are insignificant upon the initial application of MFRS 9.

The analysis above are based on the assessments undertaken and maybe subject to changes arising from additional reasonable and supportable information being made available to the Group in the future.



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(ii) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of ‘distinct’ for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Based on the assessments undertaken, the Group has determined that the impact on its financial statements upon the initial application of MFRS 15 is insignificant as the timing and amount of revenue to be recognised for the rendering of services under the new standard are unlikely to be materially different from its current practice.

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019



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The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group is currently assessing the financial impact that may arise from the adoption of this standard.

A2 SEASONAL OR CYCLICAL FACTORS

Except for our mobile advertising platform business, the business operations of our Group are not materially affected by any seasonal or cyclical factors. The mobile advertising platform business is dependent on the seasonal trend of the digital and mobile advertising spending.

A3 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material unusual items affecting assets, liabilities, equity, net income and cash flow of the Group during the current financial period.

A4 MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates during the period ended 30 June 2019.

A5 DEBTS AND EQUITY SECURITIES

Save as disclosed below, there were no other issuance, cancellation, repurchase, resales and repayment of debt and equity securities for the current financial year-to-date under review:

The Company issued 18,856,000 ordinary shares at RM0.28 per share to sophisticated investors on 25 June 2019 in conjunction with the listing on the LEAP Market of Bursa Securities on 3 July 2019.



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A6 SEGMENTAL INFORMATION

(i) Analysis of revenue by services

	INDIVIDUAL 6 MONTHS ENDED				CUMULATIVE 6 MONTHS ENDED			
	2019		2018		2019		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Mobile payment solutions	1,987	70.01	5,703	63.80	1,987	70.01	5,703	63.80
Mobile advertising platform	850	29.95	3,229	36.12	850	29.95	3,229	36.12
Internet services	1	0.04	1	0.01	1	0.04	1	0.01
Management fee	-	-	6	0.07	-	-	6	0.07
Total	2,838	100.00	8,939	100.00	2,838	100.00	8,939	100.00

(ii) Analysis of revenue by geographical location

	INDIVIDUAL 6 MONTHS ENDED				CUMULATIVE 6 MONTHS ENDED			
	2019		2018		2019		2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	255	8.99	136	1.52	255	8.99	136	1.52
Thailand	1,737	61.21	6,076	67.97	1,737	61.21	6,076	67.97
Hong Kong	761	26.81	2,636	29.49	761	26.81	2,636	29.49
China	24	0.85	77	0.86	24	0.85	77	0.86
Singapore	59	2.08	-	-	59	2.08	-	-
Cambodia ⁽¹⁾	1	0.03	1	0.01	1	0.03	1	0.01
Others ⁽²⁾	1	0.03	13	0.15	1	0.03	13	0.15
Total	2,838	100.00	8,939	100.00	2,838	100.00	8,939	100.00

Notes:

(1) Revenue from the provision of internet services.

(2) Consists of customers, whom are advertisers, of the Company's mobile advertising platform business from Indonesia and Turkey.

The Group's revenue is mainly derived from the provision of mobile advertising platform and mobile payment solutions. The Group has commenced providing internet services in Cambodia since June 2018.

The Group recorded a revenue of RM2.84 million during the 6-month period ended 30 June 2019 which was mainly contributed by the mobile payment solutions and mobile advertising platform business segments with revenue contribution of 70.01% and 29.95% respectively.



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A7 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Save as disclosed below, there were no material events subsequent to the end of the current financial period:

- (i) On 3 July 2019, the Company was successfully admitted to the Official List of Bursa Securities with the listing of and quotation for its entire enlarged issued share capital of RM14,613,403 comprising 188,559,908 ordinary shares on the LEAP Market of Bursa Securities.

A8 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets and contingent liabilities as at the date of this interim financial report.

A9 CHANGES IN THE COMPOSITION OF THE COMPANY

There were no material changes in the composition of the Company for the current financial period.

A10 CAPITAL COMMITMENTS

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Purchase of equipment (approved and contracted for)	1,662	1,662	1,662	1,662



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B ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 REVIEW OF PERFORMANCE

The Group reported gross profit RM1.60 million during the 6-months period ended 30 June 2019, which mainly contributed from mobile payment solution (RM1.50 million or 94%) and mobile advertising platform service (RM0.23 million or 15%). Compared to the previous corresponding period, the Group's gross profit decreased by approximately RM5.58 million or 78% mainly due to:

- i. Network Operator imposed strict verification process in payment processing which negatively affect the mobile payment solutions as well as the mobile advertisement platform businesses.
- ii. The constraint in campaign promotion had limited MCOM's internal leads generation activities which caused to heavy dependence in third-party leads. Consequently, the GP margin for mobile advertisement platform dropped.

The Group reported a loss before tax attributable to the owner of the company approximately RM2.10 million during the 6-month period ended 30 June 2019 mainly due to the decrease in gross profit as a result of the challenging market as mentioned above and the spending in relation to the IPO during the 6-months period ended 30 June 2019.

B2 PROSPECTS OF THE COMPANY

The market environment continues to be volatile and challenging but the Group has been continuously sourcing for new content and businesses. In Q2 2019, MCOM had successfully connected with more than 5 new Content Providers who offer quality content to the mobile user. New Content Providers with quality content will improve the subscription rate as well as hasten the campaign approval process.

MCOM's upgraded platform will also improve the effectiveness and efficiency of the campaign to maximize the value of advertisement and justification of conversion rate.

MCOM will develop a Creative Team with effective Q3 2019, who will provide value-added service to Advertiser by further improving the quality of the content and advertisement's creativity.



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B3 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Company has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

C OTHER INFORMATION

C1 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this report.

C2 BORROWINGS AND DEBT SECURITIES

As at the reporting date, there were no short-term borrowings and the Company has not issued any debt securities.

C3 MATERIAL LITIGATION

There are no material litigations pending as at the date of this report.

C4 DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend as at the date of this report.

C5 EARNINGS/(LOSS) PER SHARE

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit attributable to owners of the Company (RM)	(2,055,256)	1,814,740	(2,055,256)	1,814,740
Weighted average number of shares at end of period	169,962,209	164,989,902	169,962,209	164,989,902
Basic earnings per ordinary share (sen)	-1.21	1.10	-1.21	1.10



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The weighted average number of ordinary shares in issue is computed as follows:

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Shares issued pursuant to:				
- Incorporation of the Company	2	2	2	2
- Acquisition of subsidiaries #	164,989,900	164,989,900	164,989,900	164,989,900
- Effect of issuance of new ordinary shares	4,972,307	-	4,972,307	-
	<u>169,962,209</u>	<u>164,989,902</u>	<u>169,962,209</u>	<u>164,989,902</u>

Ordinary shares arising from the acquisition of subsidiaries are assumed to be issued throughout the financial years ended 31 December 2018 and 2017 as the acquisition of subsidiaries was accounted under common control using the merger accounting method of consolidation.

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

Diluted earnings per share is not computed as the Company did not have any convertible financial instruments as at 30 June 2019.

C6 UTILISATION OF PROCEEDS

As at 30 June 2019, the status of the utilisation of proceeds from the placement of RM5.28 million is as follows:

Purpose of use	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Expected time frame for the utilisation of proceeds (from listing date)
Capital expenditure for internet service provision	2,900	(1,945)	-	955	Within 12 months
Capital expenditure for mobile advertising platform	880	(424)	-	456	Within 12 months
Listing expenses	1,500	(1,124)	-	376	Within 12 months
Total estimated proceeds	5,280	(3,493)	-	1,787	

Some of the above capital expenditure have been paid for by using the Group's internally-generated funds and will be replenished using the proceeds raised.