



MCOM HOLDINGS BERHAD

(Registration No.: 201701034106 (1248277-X))
(Incorporated in Malaysia)

**UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS
FOR THE 6-MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2020 ("H2FY20")**

**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.

**THE ADMISSION OF MCOM HOLDINGS BERHAD TO THE LEAP MARKET WAS
ADVISED BY OUR APPROVED ADVISOR, TA SECURITIES HOLDINGS BERHAD.**



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**UNAUDITED CONDENSED STATEMENTS OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	INDIVIDUAL 6-MONTH ENDED		CUMULATIVE 12-MONTH ENDED	
	Unaudited 31.12.2020 RM'000	Unaudited 31.12.2019 RM'000	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Revenue	10,171	16,441	15,300	19,279
Cost of Sales	(3,665)	(7,248)	(6,373)	(8,487)
Gross Profit	6,506	9,193	8,927	10,792
Other Income	244	180	426	226
Selling and distribution expenses	(2)	(19)	(2)	(23)
Administrative expenses	(3,658)	(4,241)	(6,614)	(8,015)
Other expenses	(883)	(936)	(1,258)	(1,310)
Profit from operating activities	2,207	4,177	1,479	1,670
Finance Costs	(36)	(27)	(60)	(34)
Profit before tax ("PBT")	2,171	4,150	1,419	1,636
Income tax expense	(1,067)	(988)	(1,101)	(989)
Profit after tax ("PAT") for the period	1,104	3,162	318	647
Other comprehensive (expense)/income	(632)	(80)	(215)	(59)
Total comprehensive income for the period	472	3,082	103	588
Profit/(Loss) after tax attributable to:				
Owners of the Company	873	2,786	895	730
Non-controlling interest	231	376	(577)	(83)
	1,104	3,162	318	647
Total comprehensive income/(loss) attributable to:				
Owners of the Company	191	2,660	682	653
Non-controlling interest	281	422	(579)	(65)
	472	3,082	103	588



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	INDIVIDUAL 6-MONTH ENDED		CUMULATIVE 12-MONTH ENDED	
	Unaudited 31.12.2020 RM'000	Unaudited 31.12.2019 RM'000	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
EBITDA	2,425	4,419	2,042	2,283
Basic Earnings per share ("EPS") ⁽¹⁾ (Sen)	0.46	1.48	0.47	0.41
Gross profit Margin (%)	63.97	55.92	58.35	55.98
PBT Margin (%)	21.35	25.24	9.27	8.49
PAT Margin (%)	10.85	19.23	2.08	3.36

Notes:

- (1) Computed based on PAT attributable to the owners of the Company divided by the weighted average number of ordinary shares in MCOM ("MCOM Shares" or "Shares").**
- (2) 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.**



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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Unaudited	Audited
	As at 31.12.2020	As at 31.12.2019
	(RM'000)	(RM'000)
ASSETS		
Non-current assets		
Equipment	1,392	2,207
Intangible assets	381	-
Other assets	-	74
Right-of-use assets	755	495
Total non-current assets	2,528	2,776
Current assets		
Trade receivables	17,072	17,637
Other receivables, deposits and prepayments	2,055	2,631
Amount owing by immediate holding company	15	16
Current tax assets	37	54
Deferred tax assets	85	-
Fixed deposits with a licensed bank	254	452
Cash and bank balances	1,843	1,407
Total current assets	21,361	22,197
TOTAL ASSETS	23,889	24,973
EQUITY		
Share capital	14,506	14,506
Merger deficit	(6,105)	(6,105)
Reserves	8,055	7,373
Equity attributable to owners of the Company	16,456	15,774
Non-controlling interests	(820)	(241)
TOTAL EQUITY	15,636	15,533
LIABILITIES		
Non-current liabilities		
Employee benefits obligation	200	165
Term loan	210	226
Lease liabilities	511	298
Deferred tax liabilities	58	42
Total non-current liabilities	979	731
Current liabilities		
Trade payables	4,590	5,418
Other payables and accruals	1,115	1,842
Amount owing to a director	-	320
Term loan	31	26
Lease liabilities	215	288
Current tax liabilities	1,323	815
Total current liabilities	7,274	8,709



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	Unaudited	Audited
	As at 31.12.2020	As at 31.12.2019
	(RM'000)	(RM'000)
TOTAL LIABILITIES	8,253	9,440
TOTAL EQUITY AND LIABILITIES	23,889	24,973
NET ASSETS PER SHARE⁽¹⁾ (RM)	0.0873	0.0837

Notes:

- (1) *Net assets per share are calculated based on 188,559,908 MCOM Shares in issue at the end of the reporting period.*
- (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 YEAR ENDED 31 DECEMBER 2020

	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 2020	14,506	19	(121)	(6,105)	7,475	15,774	(241)	15,533
Total income for the period	-	-	-	-	895	895	(577)	318
Foreign Currency Translation Differences for Foreign Operations	-	-	(213)	-	-	(213)	(2)	(215)
Total Comprehensive income/(expense) for the financial period	-	-	(213)	-	895	682	(579)	103
Contribution by and distribution to owners of the Company								
- Issuance of Shares	-	-	-	-	-	-	-	-
- Shares issuance expenses	-	-	-	-	-	-	-	-
As at 31 December 2020	14,506	19	(334)	(6,105)	8,370	16,456	(820)	15,637



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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 2019	9,334	19	(44)	(6,105)	6,745	9,949	(176)	9,773
Total income for the period	-	-	-	-	730	730	(83)	647
Foreign currency translation differences for foreign operations	-	-	(77)	-	-	(77)	18	(59)
Total comprehensive (loss)/income for the financial period	-	-	(77)	-	730	653	(65)	588
Contribution by and distribution to owners of the Company								
- Issuance of shares	5,279	-	-	-	-	5,279	-	5,279
- Shares issuance expenses	(107)	-	-	-	-	(107)	-	(107)
As at 31 December 2019	14,506	19	(121)	(6,105)	7,475	15,774	(241)	15,533



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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	CUMULATIVE 12-MONTH ENDED	
	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Cash flows from/(for) operating activities		
Profit before taxation	1,419	1,636
<i>Adjustments for:</i>		
Amortisation of intangible assets	-	29
Provision for employee benefits obligation	38	73
Depreciation of equipment and right-of-use assets	819	837
Equipment written off and loss on disposal of assets	167	33
Interest expense	60	34
Unrealised loss/(gain) on foreign exchange	10	54
Interest income	(4)	(5)
Impairment loss	177	366
Operating profit before working capital changes	2,686	3,057
(Increase)/Decrease in trade and other receivables	632	(11,405)
(Increase)/Decrease in amount owing by immediate holding company	34	(4)
Increase/(Decrease) in trade and other payables	(1,446)	2,893
Increase/(Decrease) in amount owing to a director	(320)	320
Cash generated from/(used in) operations	1,586	(5,139)
Tax (paid)/refund	(611)	13
Interest paid	(60)	(34)
Net cash from/(used in) operating activities	915	(5,160)
Cash flows for investing activities		
Interest received	3	5
Purchase of equipment	(407)	(139)
Placement of fixed deposit	-	(52)
Addition of right-of-use assets	(572)	(523)
Proceeds from disposal of equipment	161	-
Net cash used in investing activities	(815)	(709)



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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	CUMULATIVE 12-MONTH ENDED	
	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Cash flows from financing activities		
Acquisition of new leases	560	490
Drawdown of term loan	-	260
Repayment of lease liabilities	(420)	(199)
Repayment of term loan	(12)	(8)
Proceeds from issuance of ordinary shares	-	5,173
Net cash from financing activities	128	5,716
Net change in cash and cash equivalents	228	(153)
Effects of foreign exchange translation	10	(19)
Cash and cash equivalents at the beginning of the financial period	1,807	1,979
Cash and cash equivalents at end of the financial period	2,045	1,807
Cash and cash equivalents at end of the financial period consist of:		
Fixed deposits with a licensed bank	254	452
Cash and bank balances	1,843	1,407
Less: Fixed deposits pledged to licensed bank	(52)	(52)
	2,045	1,807



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SECTION A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. BASIS OF PREPARATION

The interim combined financial statements as contained in this interim financial report are unaudited and have been prepared under the historical cost convention method unless otherwise stated. Any discrepancies in the tables between the amounts listed and the totals in this interim report are due to rounding.

These unaudited interim combined financial statements have been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Part (c), Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements issued by Bursa Securities.

These unaudited interim combined financial statements should be read in conjunction with the audited combined financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report. The explanatory notes contained herein 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 financial year ended 31 December 2019.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of the unaudited combined interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2019, except for the following Amendments to MFRSs as disclosed below:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 *Business Combinations – Definition of a Business*
- Amendments to MFRS 101 and MFRS 108 *Definition of Material*
- Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*
- Amendments to MFRS 4 *Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9*

The adoption of the above MFRS and Amendments to MFRSs did not have any significant financial impact to the Group.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not early adopted by the Group:

Effective for annual periods commencing on or after 1 June 2020

- Amendments to MFRS 16 *Leases – Covid-19 Related Rent Concessions*

Effective for annual periods commencing on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest rate Benchmark Reform – Phase 2*



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A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Effective for annual periods commencing on or after 1 January 2022

- Annual Improvements to MFRS Standards 2018 – 2020
- Amendments to MFRS 3 *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

Deferred (date to be determined by MASB)

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group is in the process of assessing the impact of implementing these accounting standards and amendments, since the effects would only be observable for the future financial years.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the Group's most recent annual audited combined financial statements for the financial year ended 31 December 2019 were not subject to any qualification.

A4. SEASONALITY OR CYCLICALITY OF OPERATION

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.

A5. UNUSUAL ITEMS

Save for certain short-term interruption to the Group's operations due to the movement control orders enforced to curb the COVID-19 pandemic, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no significant changes in estimates of amounts reported in prior financial years that have a material impact on the financial period under review.



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A7. DEBTS AND EQUITY SECURITIES

There were no changes in the debts and equity securities for the 12-month financial period ended 31 December 2020.

A8. SEGMENTAL INFORMATION

(i) Analysis of revenue by services

	INDIVIDUAL 6-MONTH ENDED				CUMULATIVE 12-MONTH ENDED			
	2020		2019		2020		2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Mobile payment solutions	3,579	35.19	4,923	29.94	4,858	31.75	6,910	35.84
Mobile advertising platform	6,589	64.78	11,492	69.90	10,439	68.23	12,342	64.02
Internet services	3	0.03	26	0.16	3	0.02	27	0.14
Management fee	-	-	-	-	-	-	-	-
Total	10,171	100.00	16,441	100.00	15,300	100.00	19,279	100.00

(ii) Analysis of revenue by geographical location

	INDIVIDUAL 6-MONTH ENDED				CUMULATIVE 12-MONTH ENDED			
	2020		2019		2020		2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	86	0.85	359	2.18	562	3.67	614	3.18
Thailand	3,010	29.59	4,509	27.43	4,298	28.09	6,246	32.40
Hong Kong	2,946	28.96	10,372	63.09	6,265	40.95	11,133	57.75
China	1,063	10.45	309	1.88	1,066	6.97	333	1.73
Singapore	-	-	803	4.88	2	0.01	862	4.47
Cambodia ⁽¹⁾	3	0.03	26	0.16	3	0.02	27	0.14
Others ⁽²⁾	3,063	30.12	63	0.38	3,104	20.29	64	0.33
Total	10,171	100.00	16,441	100.00	15,300	100.00	19,279	100.00

Notes:

(1) Revenue from the provision of internet services.

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

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



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A8. Profit Before Tax (“PBT”)

Included in the PBT are the following (income) and expenses:

	INDIVIDUAL 6-MONTH ENDED		CUMULATIVE 12-MONTH ENDED	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation of assets	474	493	819	866
Assets written off and loss on disposal of assets	167	32	167	33
Unrealised (gain)/ loss on foreign exchange	101	55	10	54
Realised (gain)/loss on foreign exchange	37	(7)	28	(54)
(Interest income)	(2)	(4)	(4)	(5)
Interest expense	36	27	60	34

A9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of the financial period.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

A12. CAPITAL COMMITMENTS

	CUMULATIVE 12-MONTH ENDED	
	31.12.2020	31.12.2019
	RM'000	RM'000
<u>Approved but not contracted for</u> Purchase of property, plant and equipment	-	-
<u>Approved and contracted for</u> Purchase of property, plant and equipment	434	37



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

B1 REVIEW OF PERFORMANCE

6-month Period Ended 31 December 2020 compared to 6-month Period Ended 31 December 2019

The Group's revenue decreased by approximately RM6.27 million or 38.14% during the 6-month period ended 31 December 2020 as compared to the preceding year corresponding period, mainly due to:

- (i) Lower revenue for its mobile advertising platform segment because of decrease in CPA (cost per acquisition) revenue due to reduction in advertising activities and campaign during the second half of 2020; and
- (ii) Lower revenue for its mobile payment solutions segment as a result of lower utilisation of mobile payment solutions services.

The Group's gross profit decreased by approximately RM2.68 million or 29.16% to approximately RM6.51 million during the 6-month period ended 31 December 2020 (6-month period ended 31 December 2019: approximately RM9.19 million) mainly due to the abovementioned decrease in revenue.

The gross profit margin during the 6-month period ended 31 December 2020 increased to 63.97% (6-month period ended 31 December 2019: 55.92%) due to lower cost of sales incurred by the Group's mobile advertising platform segment arising from the lower commission pay-out to publishers.

- (i) the abovementioned reduction in advertising activities, campaign and lower utilisation rate, which as a result, a lower revenue was generated from the mobile advertising platform and mobile payment solutions segment during the 6-month period ended 31 December 2020 as compared to 6-month period ended 31 December 2019; and

The Group reported a lower PAT of approximately RM1.10 million during the 6-month period ended 31 December 2020 (6-month period ended 31 December 2019: approximately RM3.16 million) mainly due to higher tax rate of 24% applicable to the Labuan company.



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FYE 31 December 2020 compared to FYE 31 December 2019

The Group's revenue decreased by approximately RM3.98 million or 20.64% to approximately RM15.30 million in the FYE 31 December 2020 (FYE 31 December 2019: approximately RM19.28 million), mainly due to lower revenue for its mobile advertising platform segment as a result of decrease in CPA revenue due to:

- i) reduction in advertising activities or campaigns during the FYE 31 December 2020.
- ii) decrease in revenue from the mobile payment solutions segment during the FYE 31 December 2020.

The decrease in the Group's gross profit by approximately RM1.86 million or 17.24% to approximately RM8.93 million in the FYE 31 December 2020 (FYE 31 December 2019: approximately RM10.79 million) was mainly due to abovementioned decrease in revenue.

The gross profit margin for the FYE 31 December 2020 improved to 58.35% (FYE 31 December 2019: 55.98%) mainly due to lower cost of sales incurred by the Group's mobile advertising platform segment as a result of lower commission pay out to publishers.

The Group reported a lower PBT of approximately RM1.42 million in the FYE 31 December 2020 (FYE 31 December 2019: approximately RM1.64 million) mainly due to the abovementioned decrease in revenue and gross profit.

The Group reported a lower PAT of approximately RM0.32 million and PAT attributable to the owners of the Company of RM0.90 million respectively in the FYE 31 December 2020 (FYE 31 December 2019: PAT approximately RM0.65 million and PAT attributable to owners of the Company RM0.73 million) mainly due to higher tax provision for MCatch (L) Berhad at 24% on its chargeable profit as a result of amendment to Labuan Business Activity Tax Act and introduction of Labuan Business Activity Tax (Requirements for Labuan Business Activity) Regulation 2018 which took effect from 1 January 2019.



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B2 PROSPECTS OF THE GROUP

In line with the Group's overall strategy, the Group will continue to enhance its B2B2C platform service, which is an integrated platform solution aiming to connect warehouse manufacturers, logistic companies, online stores, digital marketers and customer support service for e-commerce. The B2B2C platform will widen the reach for the mobile advertising platform covering both manufacturers and end users and thus, contributing growth to the Group's mobile advertising platform revenue in the medium and long term.

The COVID-19 pandemic and the resultant global lockdown has sped up and necessitated the process of digitalisation for many businesses, especially for e-commerce. The Group, as a digital marketing solution provider, specialising in mobile advertising platform and mobile payment solutions, has taken the initiative during the COVID-19 pandemic to streamline many internal processes and enhance their technology capability to gear up for future business digitalisation. Barring any unforeseen circumstances, the Board is cautiously optimistic that the Group's financial performance for the FYE 31 December 2021 will be favourable.

B3 VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

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

B4 INCOME TAX EXPENSES

	INDIVIDUAL 6-MONTH ENDED	INDIVIDUAL 6-MONTH ENDED	CUMULATIVE 12-MONTH ENDED	CUMULATIVE 12-MONTH ENDED
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Current tax expense:				
- for the financial year	1,059	1,016	1,093	1,017
- overprovision in the previous financial year	32	-	32	-
	1,091	1,016	1,125	1,017
Deferred tax expense:				
- for the financial year	(24)	(28)	(24)	(28)
	1,067	988	1,101	989

The Group's income tax expense increase was mainly contributed by tax provision at 24% on chargeable profits of MCatch (L) Berhad as a result of amendment to Labuan Business Activity Tax Act and introduction of Labuan Business Activity Tax (Requirements for Labuan Business Activity) Regulation 2018 which took effect from 1 January 2019.



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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

The Group's total borrowings (all denominated in RM) are as follows:

	Unaudited As at 31.12.2020 (RM'000)	Audited As at 31.12.2019 (RM'000)
<u>Non-current liabilities</u>		
Term loan	210	226
Lease liabilities	511	298
Total	721	524
<u>Current liabilities</u>		
Term loan	31	26
Lease liabilities	215	288
Total	246	314

As at the reporting date, the Group 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 Group since the end of the previous financial year. The Directors do not recommend any dividend as at the date of this report.



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C5 EARNINGS/(LOSS) PER SHARE

	INDIVIDUAL 6-MONTH ENDED		CUMULATIVE 12-MONTH ENDED	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit attributable to owners of the Company (RM '000)	873	2,786	895	730
Weighted average number of MCOM Shares at end of period ('000)	188,560	188,355	188,560	179,106
Basic earnings per ordinary share (sen)	0.46	1.48	0.47	0.41

The weighted average number of MCOM Shares in issue is computed as follows:

	INDIVIDUAL 6-MONTH ENDED		CUMULATIVE 12-MONTH ENDED	
	31.12.2020 '000	31.12.2019 '000	31.12.2020 '000	31.12.2019 '000
Shares issued pursuant to:				
- At 1 January	188,560	169,704	188,560	169,704
- Effect of issuance of new ordinary shares issued	-	18,651	-	9,402
	188,560	188,355	188,560	179,106

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MCOM HOLDINGS BERHAD

(Registration No.: 201701034106 (1248277-X))
(Incorporated in Malaysia)

C6 UTILISATION OF PROCEEDS

As at 31 December 2020, 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	Re-allocation⁽¹⁾ RM'000	Balance RM'000	Initial timeframe for utilisation	Extended timeframe for utilisation⁽²⁾
Capital expenditure for internet service provision	2,900	(2,015)	-	885	By 2 June 2020	By 2 July 2021
Capital expenditure for mobile advertising platform	880	(755)	(33)	92	By 2 June 2020	By 2 July 2021
Listing expenses	1,500	(1,533)	33	-	Utilised	-
Total estimated proceeds	5,280	(4,303)	-	977		

Note:

- (1) *As stated in Information Memorandum of the Group dated 23 January 2019, any shortfall or excess from listing expenses of RM1.50 million will be reallocated from/to the amount allocated for capital expenditure for mobile advertising platform.*
- (2) *On 29 June 2020, the Group announced the decision to extend the timeframe for the use of proceeds raised from the placement for an additional 12 months (i.e. by 2 July 2021). In view of the global business disruption caused by the COVID-19 pandemic, the Group expects a potential delay in setting up essential facilities in Cambodia to offer wired and wireless internet services as well as the expansion plan for mobile advertising platform due to the lockdown imposed in Cambodia and Malaysia. The lockdown has delayed the upgrade and installation works to be carried out at the respective location.*

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