



ACE INNOVATE ASIA BERHAD
(Registration No.: 201901007350 (1316677-U))
(Incorporated in Malaysia under the Companies Act 2016)

FINANCIAL STATEMENTS FOR THE HALF-YEAR
ENDED 31 DECEMBER 2021

**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 AND 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 ACE INNOVATE ASIA BERHAD ("AIAB" OR THE "COMPANY"). INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISK OF INVESTING IN AIAB AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.



ACE INNOVATE ASIA BERHAD
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UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	(Unaudited)		(Unaudited)	(Audited)
	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	629,494	937,339	1,587,516	1,328,646
Cost of sales	(625,968)	(931,905)	(1,578,244)	(1,314,353)
Gross profit	3,526	5,434	9,272	14,293
Other income	525	1,836	733	239
Administrative expenses	(5,366)	(5,372)	(8,586)	(8,922)
Operating (loss)/profit	(1,315)	1,898	1,419	5,610
Finance costs	(279)	(134)	(592)	(214)
Share of results of an associated company	Neg	-	Neg	-
(Loss)/profit before tax	(1,594)	1,764	827	5,396
Income tax expense	101	(951)	(660)	(1,343)
(Loss)/profit after tax	(1,493)	813	167	4,053
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period/year	(1,493)	813	167	4,053
Basic (loss)/earnings per share (sen)	(0.50)	0.27	0.06	1.35

Notes:

The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the Audited Financial Statements of AIAB and its subsidiaries (“Group”) for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

Neg: Negligible amount



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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 31.12.2020 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	4,755	5,050
Investment in associated company	Neg	-
Deferred tax assets	-	159
Total non-current assets	4,755	5,209
Current Assets		
Inventories	18,757	9,643
Current tax assets	1,490	460
Trade and other receivables	9,169	15,433
Cash and short-term deposits	18,145	2,914
Total current assets	47,561	28,450
TOTAL ASSETS	52,316	33,659
EQUITY		
Share capital	23,192	23,192
Reorganisation reserve	(12,052)	(12,052)
Retained earnings	13,302	16,105
TOTAL EQUITY	24,442	27,245

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UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (continued)

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 31.12.2020 RM'000
Non-current liabilities		
Loans and borrowings	3,103	3,224
Deferred tax liabilities	128	28
Total non-current liabilities	3,231	3,252
Current liabilities		
Loan and borrowings	313	399
Trade and other payables	24,330	2,763
Total current liabilities	24,643	3,162
TOTAL LIABILITIES	27,874	6,414
TOTAL EQUITY AND LIABILITIES	52,316	33,659
Net assets per share (RM)	0.08	0.09
Number of ordinary shares ('000)	300,033	300,033

Notes:

The unaudited condensed consolidated statements of financial position should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

Neg: Negligible amount



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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to the owners of the Company			Total equity RM'000
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
At 1 January 2020 (Audited)	23,192	(12,052)	12,052	23,192
Profit for the financial period, representing total comprehensive income for the financial period	-	-	4,053	4,053
	23,192	(12,052)	16,105	27,245
At 31 December 2020/1 January 2021 (Audited)	23,192	(12,052)	16,105	27,245
Profit for the financial period, representing total comprehensive income for the financial period	-	-	167	167
Transactions with owners				
Dividends paid on shares	-	-	(2,970)	(2,970)
At 31 December 2021 (Unaudited)	23,192	(12,052)	13,302	24,442

Note:

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.



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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	(Unaudited) 31.12.2021 RM'000	(Audited) 31.12.2020 RM'000
Cash flows from operating activities		
Profit before tax	827	5,396
Adjustments for:		
Depreciation of property, plant and equipment	496	276
Depreciation of right-of-use asset	34	289
Property, plant and equipment written off	1	42
Net unrealised gain on foreign exchange	(126)	(85)
Finance costs	592	214
Interest income	(70)	(81)
Operating profit before working capital changes	1,754	6,051
Changes in working capital:		
Inventories	(9,114)	(6,974)
Trade and other receivables	6,144	(2,432)
Trade and other payables	21,592	(2,955)
Cash generated/(used in) from operations	20,376	(6,310)
Income tax paid	(1,431)	(1,420)
Interest paid	(1)	(4)
Interest received	70	81
Net cash from/(used in) operating activities	19,014	(7,653)
Cash flows from investing activities		
Purchase of property, plant and equipment	(126)	(130)
Net change in pledged deposits	-	(5)
Net cash used in investing activities	(126)	(135)
Cash flows from financing activities		
Net change in amount due from holding company	24	(18)
Repayment of lease liabilities	(33)	(212)
Repayment of term loans	(284)	(34)
Drawdown of term loan	-	550
Dividends paid	(2,970)	-
Interests paid	(591)	(210)
Net cash (used in)/from financing activities	(3,854)	76



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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)

	(Unaudited)	(Audited)
	31.12.2021	31.12.2020
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	15,034	(7,712)
Cash and cash equivalents at the beginning of financial year	2,678	10,706
Effects of exchange rate changes on cash and cash equivalents	197	(316)
Cash and cash equivalents at the end of financial year	17,909	2,678

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	(Unaudited)	(Audited)
	31.12.2021	31.12.2020
	RM'000	RM'000
Short-term deposits placed with licensed banks	236	236
Less: Pledged deposits	(236)	(236)
	-	-
Cash and bank balances	17,909	2,678
	17,909	2,678

Note:

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting. This is the interim financial report on the consolidated results for the financial year ended 31 December 2021 announced by the Company in compliance with the LEAP Market Listing Requirements of Bursa Securities.

This report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2020. The explanatory notes attached to this report provide an explanation of events and transactions that are significant to the understanding of changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

Changes in accounting policies

The accounting policies adopted by the Group in the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following new and revised MFRSs, Amendments to MFRS and IC interpretations:

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases – Interest Rate Benchmark Reform – Phase 2
MFRS 139	Financial Instruments: Recognition and Measurement

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

Changes in accounting policies (continued)

The Group has not adopted the following new MFRS, amendments to MFRSs and IC Interpretation effective:

	Effective for financial periods beginning on or after
<u>New MFRSs</u>	
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of MFRSs	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3 Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7 Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9 Financial Instruments	1 January 2022 [^] / 1 January 2023 [#]
MFRS 10 Consolidated Financial Statements	Deferred
MFRS 15 Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16 Leases	1 April 2021/ 1 January 2022 [^]
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Statements	1 January 2022/ 1 January 2023 [#]
MFRS 107 Statements of Cash Flows	1 January 2023 [#]
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112 Income Taxes	1 January 2023
MFRS 116 Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119 Employee Benefits	1 January 2023 [#]
MFRS 128 Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132 Financial instruments: Presentation	1 January 2023 [#]
MFRS 136 Impairment of Assets	1 January 2023 [#]
MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138 Intangible Assets	1 January 2023 [#]
MFRS 140 Investment Property	1 January 2023 [#]
MFRS 141 Agriculture	1 January 2022 [^]

Notes:

[^] The Annual Improvements to MFRSs 2018-2020.

[#] Amendments as to the consequence of MFRS 17 Insurance Contracts.

The adoption of the above new standard and amendments is not expected to have significant impact on the financial position and financial performance of the Group.

A2. Seasonal/Cyclical Factors

The Group does not experience any seasonality in its business as the demand for physical gold products is not subject to major seasonal fluctuations. However, its business is subject to economic conditions and fluctuations in global gold prices, which are affected by factors including, but not limited to, market speculation of future inflation and interest rates, global and regional economic, global gold supply and consumption levels, as well as investment and trading activities in the market.

A3 Unusual Items

There were no material unusual items affecting assets, liabilities, equity, net income and cash flows for the six months ended 31 December 2021.

A4 Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year that have a material effect during the six months ended 31 December 2021.

A5 Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the six months ended 31 December 2021.

A6 Segmental Information

Analysis of revenue

(i) By products and services

	(Unaudited)		(Unaudited)	(Audited)
	Individual 6 months ended		Cummulative 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Scrap gold bar	109,141	165,156	206,779	233,705
Cast gold bar	519,288	771,367	1,377,508	1,093,777
Minted gold bar	950	692	3,014	960
Assay services	104	116	190	196
Others	11	8	25	8
	629,494	937,339	1,587,516	1,328,646

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(ii) By geographical location

	(Unaudited)		(Unaudited)	(Audited)
	Individual 6 months ended		Cummulative 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	629,494	937,421	1,544,372	1,244,030
Singapore	-	(82)	43,144	84,616
	629,494	937,339	1,587,516	1,328,646

(iii) Sales channels

	(Unaudited)		(Unaudited)	(Audited)
	Individual 6 months ended		Cummulative 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
GTP platform	574,277	936,233	1,497,419	1,327,192
E-commerce	1,545	692	2,992	960
Banking	53,568	290	86,902	290
Assay services	104	116	190	196
Others	-	8	13	8
	629,494	937,339	1,587,516	1,328,646

A7 Material Events Subsequent to the End of the Financial Period

The Covid-19 outbreak has brought significant economic uncertainties in Malaysia and markets in which the Group operates. The Group is unable to reasonably estimate the financial impact of Covid-19 for the financial year ending 31 December 2022 and will continue to monitor and take appropriate measures to minimise the financial impact to the Group. Other than the impact of Covid-19 pandemic, there was no subsequent material event as at the date of this report.

A8 Contingent Assets and Contingent Liabilities

There were no material changes in contingent assets and contingent liabilities during the six months ended 31 December 2021.

A9 Changes in the Composition of the Group

Save as disclosed below, there were no changes in the composition of the Group during the six months ended 31 December 2021:

- (a) On 16 August 2021, the Company incorporated a subsidiary, Ace Ihsan Gold Sdn. Bhd. ("Ihsan"). Ihsan is a private limited company with an issued share capital of RM100 comprising 100 ordinary shares, in which 51% are held by the Company while 49% are held by Axismas Sdn. Bhd. The principal activity of Ihsan is trading in precious metals; and

A9 Changes in the Composition of the Group (continued)

- (b) On 24 August 2021, the Company incorporated a subsidiary, Ace Ikhlas Gold Sdn. Bhd. (“Ikhlas”). Ikhlas is a private limited company with an issued share capital of RM100 comprising 100 ordinary shares, in which 51% are held by the Company while 49% are held by Aseagate (M) Sdn. Bhd. The principal activity of Ikhlas is trading in precious metals.

A10 Capital Commitments

There were no material capital commitments during the six months ended 31 December 2021.

A11 Recurrent Related Party Transactions

The Group has no other recurrent related party transaction which would have a significant impact on the financial position and business of the Group save as disclosed below:

	(Unaudited)	(Audited)
	As at	As at
	31.12.2021	31.12.2020
	RM'000	RM'000
Interest arising due to short term loan from Gosford Leather Industries Sdn. Bhd.	<u>98</u>	<u>-</u>

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

B1 Review of Performance

The Group recorded lower revenue of RM629.49 million for the six months period ended 31 December 2021 compared to RM937.34 million for the preceding year corresponding period. This was mainly due to the disruptions to the business of AIAB as a result of implementation of National Recovery Plan effective from 1 June 2021 in light of the higher Covid-19 cases.

For the financial year ended 31 December 2021, the total revenue increased by RM258.87 million or 19.48% to RM1.59 billion as compared to RM1.33 billion for the financial year ended 31 December 2020. The increase in revenue was driven by the significant increase in sales volume of cast gold bar (increase of 1,316,695 gram or 29.38%) and minted gold bar (increase of 8,099 gram or 231.99%) in 2021 mainly due to higher demand of gold traded through Gold Trading Platform (“GTP”), banking and e-commerce platform. However, the increase in sales volume was partially offset by lower average realised gold price of RM238 per gram in 2021 compared to RM244 per gram in 2020.

Despite the increase in revenue, the Group reported a decreased profit after tax of RM0.16 million for the financial year ended 31 December 2021 as compared to RM4.05 million in the financial year ended 31 December 2020. The decrease in profit after tax was mainly due to significant reduction of the gross profit margin. Cost of sales increased by 20.08% to RM1.58 billion for the financial year ended 31 December 2021 mainly due to the depreciation of the Malaysian Ringgit against the United States Dollar, fluctuations in gold price, increase of gold premium charge and other associated costs.

The market for gold bullion is highly competitive and our competitors vary from large integrated banks, international operators, large retailers to a large number of sole proprietorships and family-owned businesses, where competition is driven by reduction in gold price spreads, continued development of online trading platforms and applications as well as improved customers’ service.

B2 Prospects of the Group

We saw a significant swing towards digital transactions in Malaysia as a result of the Covid-19 pandemic which changed the way we live, work and spend dramatically. We strive to be a trusted partner of our customers, providing our unique GTP, products and services to allow everyone to pursue trading opportunities and make investments with small amounts to incrementally build their gold holdings.

A key priority going forward is to build trust-based partnerships via integration of GTP with local Islamic banks, financial institutions, e-wallet providers, and other organisations to expand our digital gold capability and to drive long-term value through commercial agreements, strategic alliances and business relationships. These organisations now include Maybank Islamic Berhad, TFP Solutions Berhad, U Mobile Services Sdn Bhd and MRuncit Commerce Sdn Bhd with additional cooperative arrangements with other organisations being formalised at the current stage. In view of this, we envisage to become a strategic digital platform hub for these organisations as well as a provider of physical precious metals backed by digital investment products and services. We will continue to grow and improve our customer service and experience by providing ancillary services, including conversion to minted gold bar with door step delivery, minted gold bar box and storage of digital gold bar.

B2 Prospects of the Group (continued)

During 2022, we will continue to operate safely by selling our physical gold bars, digital gold and minted gold bars online through GTP, e-commerce platform, mobile application of our business partners and banking sector to attract new customers to invest in precious metals.

B3 Profit Forecast/Profit Guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

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C OTHER INFORMATION

C1 Loans and Borrowings

The Group's total borrowings as at 31 December 2021 (all denominated in RM) are as follows:

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 31.12.2020 RM'000
Non-current		
Term loans	3,028	3,144
Finance lease liabilities	75	80
	<u>3,103</u>	<u>3,224</u>
Current		
Term loans	273	124
Finance lease liabilities	40	275
	<u>313</u>	<u>399</u>
Total loans and borrowings		
Term loans	3,301	3,268
Finance lease liabilities	115	355
	<u>3,416</u>	<u>3,623</u>

C2 Material Litigation

There were no other material litigations, claims or arbitration, either as plaintiff or defendant, and the Directors have no knowledge of any proceedings pending against the Group or of any fact likely to give rise to any proceedings which might adversely and materially affect the financial position or business of the Group, save as disclosed below:

On 9 December 2020, the Company announced that ACE Capital Growth Sdn Bhd ("Plaintiff") commenced a civil suit at the Kuala Lumpur High Court through Civil Suit No. WA-22NCC-565-11/2020 ("KLHC Suit") against Kua Kee Koon ("1st Defendant"), TTT Bullion Sdn Bhd ("2nd Defendant"), Cheang Kok Keet ("3rd Defendant"), Ho Kat Ann ("4th Defendant"), Leow Chee Wai ("5th Defendant") and Leow Chee Lip ("6th Defendant").

The reliefs sought by the Plaintiff in the KLHC Suit against the 1st to 6th Defendants are as follows:

-

- a declaration that the 1st Defendant had acted in breach of his fiduciary and other duties to the Plaintiff;
- a declaration that the 1st Defendant had acted in breach of Section 221 of the Companies Act 2016 or otherwise in failing to disclose to the Plaintiff of his personal interest in the 2nd Defendant;
- a declaration that the 1st Defendant had acted in breach of Section 213 of the Companies Act 2016 or otherwise in failing to exercise his powers for a proper purpose and in good faith in the best interest of the Plaintiff;
- a declaration that the 3rd, 4th, 5th and 6th Defendants had acted as individual co-conspirators and/or joint tortfeasors together with the 1st Defendant;

C2 Material Litigation (continued)

- an account be ordered to the profit made by each of the Defendants in respect of the business of the 2nd Defendant or otherwise resulting from their breach of duties or conspired acts and an order that such profits, as assessed by the Court, be paid by the said Defendants to the Plaintiff;
- damages suffered by the Plaintiff as the result of the breach of duties by the 1st Defendant assisted by the 3rd, 4th, 5th and 6th Defendants;
- an injunction to restrain all the Defendants or acting by their directors, officers, servants, agents or any of them from doing the following acts: -
 - (i) using, divulging, disclosing and/or dealing in any manner whatsoever to which the 1st Defendant had unfettered access to the confidential information of the Plaintiff including information of a confidential, trade secret and/or proprietary character and developed by the Plaintiff, either alone or with others and pertaining to the Plaintiff's trade and Plaintiff's business including information relating to the Plaintiff's products, customers, suppliers, pricing methods, historical, current and projected financial information, marketing information, technical data and know-how, confidential evaluations of technical and business information in the public domain ("Confidential Information").
 - (ii) soliciting, canvassing, taking and/or soliciting orders for gold bullion and/or other precious metals from any customers of the Plaintiff or person with whom the Plaintiff had a dealing or otherwise dealing with any such customer or person for the sale of products and/or services which are the same as the Plaintiff's products and/or services;
- an order that the Defendants do forthwith cause to deliver up all the copies of the customers list and any confidential information and/or trade secrets of the Plaintiff, which are in the possession, power or custody of the Defendants, the use or disclosure of which would offend against the foregoing injunction or any of them;
- aggravated damages;
- exemplary damages;
- interest on all sums adjudged to be payable to the Plaintiff at such rate and for such period as this Honourable Court deems fit and proper to grant;
- cost; and
- any further and other relief, which this Honourable Court deems fit and proper to be granted.

On 20 May 2021, the Company announced that the learned High Court Judge had ordered as follows with regards to the Plaintiff's interlocutory injunction application against the Defendants:

- That an injunction is granted against all 6 Defendants whether by themselves or their agents from soliciting or canvassing or enticing orders from any of the Plaintiff's customers and/or from soliciting, canvassing or enticing business with the vendors of the Plaintiff who were customers or vendors of the Plaintiff as at October 2020 until the disposal of the action herein; and
- That the cost of the injunction application be costs in the cause.

On 16 June 2021, the Company announced that the Court had fixed the main suit for full trial on 14 February 2022 to 18 February 2022. The Defendants' application to strike out the main suit against the 3rd to 6th Defendants had been fixed for hearing on 9 August 2021.

On 9 August 2021, the Company announced that the High Court had allowed the Defendants' applications to strike out the 3rd and 6th Defendants as parties to the main suit with cost of RM6,000.00 at the hearing.

C2 Material Litigation (continued)

The Court had also fixed the main suit against the 1st and 2nd Defendants for case management on 11 October 2021 for the preparation and filing and the Bundle of Pleadings and the Common Bundle of Documents for the purposes of the full trial against the 1st and 2nd Defendants fixed on 14 February 2022 to 18 February 2022.

On 10 September 2021, the Company announced that the Plaintiff had appealed against the High Court's decision in respect the Plaintiff's injunction application and the Defendants' striking out application against the 3rd to 6th Defendants to the Court of Appeal and that the E-review of the said appeals before the Court of Appeal was fixed on 18 October 2021 and 20 October 2021 respectively.

On 11 October 2021, the Company announced that the High Court had fixed the E-review on 21 October 2021 for the parties in the KLHC Suit to update the High Court on the status of the Plaintiff's appeals to the Court of Appeal and on 16th November 2021 for parties to file the requisite pre-trial case management documents for the KLHC Suit.

On 18 October 2021, the Company announced that the Court of Appeal had fixed the Plaintiff's Civil Appeal No. W-02(IM)(NCC)-1640-09/2021 for further E-Review on 8 December 2021 to update the Court of Appeal on the filing of the Record of Appeal and to fix dates for the filing of written submissions.

On 21 October 2021, the Company announced that the Court of Appeal had fixed the Plaintiff's Civil Appeal No. W-02(IM)(NCC)-1641-09/2021 and Civil Appeal No. W-02(IM)(NCC)-1642-09/2021 for further E-Review on 8 December 2021 to update the Court on the filing of the Notice of Motion for an extension of time for Civil Appeal No. W-02(IM)(NCC)-1641-09/2021 and the filing of the Record of Appeal for Civil Appeal No. W-02(IM)(NCC)-1642-09/2021.

On 16 November 2021, the Company announced that the High Court had fixed the KLHC Suit for further E-Review on 16 December 2021 for parties to file the requisite pre-trial case management documents for the KLHC Suit.

On 8 December 2021, the Company announced that the Court of Appeal had fixed the three appeals for further E-review on 8 February 2022 to fix hearing dates for the said appeals. In the interim, the parties were also directed to file their respective affidavits in relation to the Notice of Motion filed in Civil Appeal No. W-02(IM)(NCC)-1641-09/2021.

On 15 December 2021, the Company announced that the High Court had fixed the KLHC Suit for case management by way of email exchange on 19 January 2022 for the parties to file the requisite pre-trial case management documents for the KLHC Suit. The High Court had also fixed additional trial dates for the KLHC on 5 September 2022 to 8 September 2022.

On 19 January 2022, the Company announced that the High Court had vacated the trial dates of the KLHC Suit on 14 February 2022 to 18 February 2022 pending the outcome of the Plaintiff's appeals to the Court of Appeal against the striking out of 4th to 6th Defendants as parties to the KLHC Suit. The trial dates fixed for the main suit on 5 September 2022 to 8 September 2022 were maintained by the High Court. The High Court had also fixed new case management date for the KLHC Suit on 17 February 2022 for parties to update the High Court on the status of the aforesaid striking out appeals.

On 8 February 2022, the Company announced that the Court of Appeal had fixed Civil Appeals No. W-02(IM)(NCC)-1640-09/2021 & W-02(IM)(NCC)-1642-09/2021 for hearing on 10 May 2022. The Court of Appeal had also fixed the two appeals for case management on 26 April 2022 for parties to update the Court on the filing of the parties' respective Written Submissions.

C2 Material Litigation (continued)

As regards to Civil Appeal No. W-02(IM)(NCC)-1641-09/2021, the Court of Appeal had fixed the Notice of Motion for an extension of time for hearing on 5 April 2022. The Court of Appeal had also fixed the aforesaid appeal for case management on 6 April 2022 for the parties to update the Court of Appeal on the outcome of the hearing of the Notice of Motion.

On 17 February 2022, the Company announced that the High Court had fixed for further case management on 11 May 2022 pending the outcome of the Plaintiff's appeals at the Court of Appeal. Directions for the filing of the parties' respective witness statements for the KLHC Suit will also be given at the upcoming case management on 11 May 2022.

C3 Dividend

There was no dividend declared or proposed in respect of six months ended 31 December 2021.

C4 Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per share are based on the profit/(loss) for the financial period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period, calculated as follows:

	(Unaudited)		(Unaudited)	(Audited)
	Individual 6 months ended		Cummulative 12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
(Loss)/profit attributable to owners of the Company (RM'000)	<u>(1,493)</u>	<u>813</u>	<u>167</u>	<u>4,053</u>
Weighted average number of ordinary shares at end of period ('000)	<u>300,033</u>	<u>300,033</u>	<u>300,033</u>	<u>300,033</u>
Basic (loss)/earnings per ordinary share (sen)	<u>(0.50)</u>	<u>0.27</u>	<u>0.06</u>	<u>1.35</u>

(b) Diluted earnings/(loss) per ordinary share

The diluted earnings/(loss) per share is equivalent to the basic earnings/(loss) per share as the Company does not have any dilutive potential ordinary shares outstanding at the end of the reporting period.

This report is dated 25.02.2022