



CTOS DIGITAL BERHAD  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SECOND QUARTER ENDED 30 JUNE 2022



**CTOS DIGITAL BERHAD** Registration No: 201401025733 (1101823-A)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Quarter ended			Cumulative Quarter ended		
		30.6.2022 RM'000	30.6.2021 RM'000	% +/(-)	30.6.2022 RM'000	30.6.2021 RM'000	% +/(-)
<b>Continuing operations</b>							
Revenue	A8	46,512	37,849	22.9	89,191	75,804	17.7
Cost of sales		<u>(7,742)</u>	<u>(4,820)</u>	60.6	<u>(14,020)</u>	<u>(9,277)</u>	51.1
Gross profit		38,770	33,029	17.4	75,171	66,527	13.0
Other income/(expense)		1,277	(133)	1060.2	1,179	(189)	723.8
Selling and marketing expenses		(8,489)	(7,922)	7.2	(16,070)	(14,984)	7.2
Administrative expenses		(13,879)	(10,680)	30.0	(27,797)	(24,619)	12.9
Finance income		109	35	211.4	190	78	143.6
Finance costs		(775)	(1,620)	(52.2)	(1,458)	(5,197)	(71.9)
Share of profits of associates		<u>5,733</u>	<u>1,770</u>	223.9	<u>8,138</u>	<u>3,420</u>	138.0
Profit before tax	B5	22,746	14,479	57.1	39,353	25,036	57.2
Tax expense	B6	<u>(266)</u>	<u>(2,460)</u>	(89.2)	<u>(4,398)</u>	<u>(4,928)</u>	(10.8)
Profit from continuing operations		22,480	12,019	87.0	34,955	20,108	73.8
<b>Discontinued operations</b>							
Loss from discontinued operations (Note 1)		<u>-</u>	<u>(350)</u>	(100.0)	<u>-</u>	<u>(1,134)</u>	(100.0)
Profit for the financial period		<u>22,480</u>	<u>11,669</u>	92.6	<u>34,955</u>	<u>18,974</u>	84.2
Other comprehensive (loss)/income:							
Items that will be subsequently reclassified to profit or loss:							
Exchange differences on translation of foreign operations		(1,801)	(2,071)	(13.0)	(1,430)	(2,781)	(48.6)
Share of other comprehensive loss of associate accounted for using equity method		(16)	-	-	(63)	-	-
Exchange differences on translation of discontinued operations		-	156	(100.0)	-	392	(100.0)
Items that will not be subsequently reclassified to profit or loss:							
Exchange differences on translation of foreign operations		-	53	(100.0)	-	171	(100.0)
Share of other comprehensive (loss)/income of associate accounted for using equity method		-	-	-	(58)	14	(514.3)
Other comprehensive loss for the financial period		<u>(1,817)</u>	<u>(1,862)</u>	(2.4)	<u>(1,551)</u>	<u>(2,204)</u>	(29.6)
Total comprehensive income for the financial period		<u>20,663</u>	<u>9,807</u>	110.7	<u>33,404</u>	<u>16,770</u>	99.2

Note 1:

- The discontinued operations are in relation to the results of CIBI Holdings Pte Ltd ("CIBI Holdings") (formerly known as CTOS SG Pte Ltd) and CIBI Information, Inc ("CIBI"), following the completion of the distribution by way of dividend-in-specie of the entire equity interest in CIBI Holdings held by the Company to the existing shareholders of the Company in the previous financial year.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Quarter ended		% + / (-)	Cumulative Quarter ended		% + / (-)
		30.6.2022 RM'000	30.6.2021 RM'000		30.6.2022 RM'000	30.6.2021 RM'000	
Profit/(loss) for the financial period attributable to:							
Owners of the Company							
- from continuing operations		22,480	12,019	87.0	34,955	20,108	73.8
- from discontinued operations		-	(179)	(100.0)	-	(583)	(100.0)
		<u>22,480</u>	<u>11,840</u>	89.9	<u>34,955</u>	<u>19,525</u>	79.0
Non-controlling interests		-	(171)	(100.0)	-	(551)	(100.0)
		<u>22,480</u>	<u>11,669</u>	92.6	<u>34,955</u>	<u>18,974</u>	84.2
Total comprehensive income/(loss) for the financial period attributable to:							
Owners of the Company							
- from continuing operations		20,663	9,948	107.7	33,404	17,341	92.6
- from discontinued operations		-	(23)	(100.0)	-	(191)	(100.0)
		<u>20,663</u>	<u>9,925</u>	108.2	<u>33,404</u>	<u>17,150</u>	94.8
Non-controlling interests		-	(118)	(100.0)	-	(380)	(100.0)
		<u>20,663</u>	<u>9,807</u>	110.7	<u>33,404</u>	<u>16,770</u>	99.2
Earnings per share for profit attributable to ordinary equity holders of the Company							
Basic/Diluted (sen)	B13						
- Continuing operations		0.9	0.6	50.0	1.5	1.0	50.0
- Discontinued operations		-	*	-	-	*	-
		<u>0.9</u>	<u>0.6</u>	50.0	<u>1.5</u>	<u>1.0</u>	50.0

\* Negligible

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at <u>30.6.2022</u> RM'000	As at <u>31.12.2021</u> RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		11,997	14,694
Right-of-use assets		3,832	4,631
Intangible assets		79,956	79,176
Investments in associates		408,394	172,904
Other investment	A15	49,647	17,664
Receivables, deposits and prepayments		554	554
Deferred tax assets		536	1,237
<b>TOTAL NON-CURRENT ASSETS</b>		<u>554,916</u>	<u>290,860</u>
<b>CURRENT ASSETS</b>			
Receivables, deposits and prepayments		26,085	25,161
Other investments	A15	18,588	26,000
Amount due from related parties		259	1,422
Tax recoverable		115	9
Cash and bank balances		15,084	17,131
<b>TOTAL CURRENT ASSETS</b>		<u>60,131</u>	<u>69,723</u>
<b>CURRENT LIABILITIES</b>			
Payables and accruals		20,746	21,755
Contract liabilities		5,771	8,208
Lease liabilities		1,576	1,546
Contingent consideration		9,429	-
Amount due to related parties		80	144
Taxation		10,041	7,970
<b>TOTAL CURRENT LIABILITIES</b>		<u>47,643</u>	<u>39,623</u>
<b>NET CURRENT ASSETS</b>		<u>12,488</u>	<u>30,100</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at <u>30.6.2022</u> RM'000	As at <u>31.12.2021</u> RM'000
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		2,304	3,100
Contingent consideration	A15	-	9,267
Deferred tax liabilities		79	100
Provision for restoration costs		670	612
Borrowings		66,192	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>69,245</u>	<u>13,079</u>
<b>NET ASSETS</b>		<u>498,159</u>	<u>307,881</u>
<b>EQUITY</b>			
Share capital		584,165	412,524
Reverse acquisition reserve		(193,528)	(193,528)
Equity contribution from shareholder		315	315
Other reserves		(7,933)	(6,426)
Retained earnings		115,140	94,996
<b>TOTAL EQUITY</b>		<u>498,159</u>	<u>307,881</u>
Net assets per share attributable to Owners of the Company (RM)		<u>0.22</u>	<u>0.15</u>

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary shares		Equity contribution from shareholders	Reverse acquisition reserve <sup>(1)</sup>	Other reserves		Retained earnings	Total equity
	Number of shares '000	Share capital RM'000			Foreign currency translation reserve RM'000	Fair value reserve RM'000		
<u>Group</u>								
As at 1 January 2022	2,200,000	412,524	315	(193,528)	(6,669)	243	94,996	307,881
Issuance of new shares (Note A5)	110,000	173,800	-	-	-	-	-	173,800
Share issuance expenses	-	(2,159)	-	-	-	-	-	(2,159)
Profit for the financial period	-	-	-	-	-	-	34,955	34,955
Other comprehensive loss	-	-	-	-	(1,465)	(42)	(44)	(1,551)
Transaction with owners: Dividends provided for or paid (Notes A6)	-	-	-	-	-	-	(14,767)	(14,767)
As at 30 June 2022	<u>2,310,000</u>	<u>584,165</u>	<u>315</u>	<u>(193,528)</u>	<u>(8,134)</u>	<u>201</u>	<u>115,140</u>	<u>498,159</u>

Note:

<sup>(1)</sup> The reverse acquisition reserve was created during the acquisition of CTOS Business Systems Sdn. Bhd. ("CBS"), CTOS Data Systems Sdn. Bhd. ("CDS") and Automated Mail Responder Sdn. Bhd. ("AMR") by the Company in 2014. CBS was identified as the accounting acquirer in accordance with MFRS 3 "Business Combination". The difference between the issued equity of the Company and issued equity of CBS together with the deemed purchase consideration of subsidiaries other than CBS is recorded as reverse acquisition reserve.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Ordinary shares		Equity contribution from shareholders RM'000	Reverse acquisition reserve <sup>(1)</sup> RM'000	Other reserves		Retained earnings RM'000	Total attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
	Number of shares '000	Share capital RM'000			Foreign currency translation reserve RM'000	Retirement benefit reserve & fair value reserve RM'000				
<u>Group</u>										
As at 1 January 2021	100,000	197,994	315	(193,528)	(145)	100	106,025	110,761	4,967	115,728
Subdivision of shares (Note A5)	1,900,000	-	-	-	-	-	-	-	-	-
Profit/(loss) for the financial period	-	-	-	-	-	-	19,525	19,525	(551)	18,974
Other comprehensive (loss)/ income	-	-	-	-	(2,389)	14	-	(2,375)	171	(2,204)
Distribution of subsidiaries	-	-	-	-	(161)	143	(13,135)	(13,153)	(4,587)	(17,740)
Transaction with owners: Dividends provided for or paid	-	-	-	-	-	-	(22,250)	(22,250)	-	(22,250)
As at 30 June 2021	<u>2,000,000</u>	<u>197,994</u>	<u>315</u>	<u>(193,528)</u>	<u>(2,695)</u>	<u>257</u>	<u>90,165</u>	<u>92,508</u>	<u>-</u>	<u>92,508</u>

Note:

<sup>(1)</sup> The reverse acquisition reserve was created during the acquisition of CBS, CDS and AMR by the Company in 2014. CBS was identified as the accounting acquirer in accordance with MFRS 3 "Business Combination". The difference between the issued equity of the Company and issued equity of CBS together with the deemed purchase consideration of subsidiaries other than CBS is recorded as reverse acquisition reserve.

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative Quarter ended	
	<u>30.6.2022</u>	<u>30.6.2021</u>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax		
Continuing operations	39,353	25,036
Discontinued operations	-	(970)
	<hr/>	<hr/>
	39,353	24,066
Adjustments for:		
(Reversal of)/allowance for impairment of receivables and deposits - net	(255)	232
Depreciation of property, plant and equipment	2,665	3,136
Depreciation of right-of-use assets	799	954
Amortisation of intangible assets	510	502
Dividend income	(1,346)	-
Interest income	(41)	(81)
Distribution income from money market funds	(61)	-
Fair value gain on other investments	(88)	-
Accretion of provision for restoration costs	9	5
Changes in fair value of contingent consideration payable	161	181
Interest expense	1,367	5,162
Lease interest	82	57
Share of profits of associates	(8,138)	(3,420)
Defined benefit plan expense	-	49
Unrealised loss on foreign exchange	15	2,933
	<hr/>	<hr/>
Operating cash flows before working capital changes	35,032	33,776
Changes in working capital:		
Receivables, deposits and prepayments	(705)	(1,343)
Payables and accruals	1,432	(835)
Contract liabilities	(2,437)	(560)
Amount due from immediate holding company	-	(30)
Related parties balances	1,098	(301)
	<hr/>	<hr/>
Cash flows generated from operations	34,420	30,707
Interest received	41	81
Defined benefit plan contribution	-	(373)
Share based payment	-	(113)
Tax paid	(1,753)	(1,696)
Tax refunded	-	1
Dividends received	4,492	2,484
	<hr/>	<hr/>
Net cash flows generated from operating activities	37,200	31,091
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Cumulative Quarter ended	
		30.6.2022 RM'000	30.6.2021 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,822)	(2,137)
Purchase of intangible assets		(1,824)	(430)
Distribution income from money market funds		192	-
Acquisition of subsidiary, net of cash acquired		-	(28,018)
Net cash outflow on distribution of subsidiaries		-	(3,147)
Investments in associates	A10	(232,049)	-
Purchase of other investment	A10	(31,983)	-
Proceeds from sale of investment in money market funds - net		7,411	-
Net cash flows used in investing activities		(260,075)	(33,732)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of shares		173,800	-
Payment of share issuance expenses		(2,159)	-
Dividends paid	A6	(14,767)	(22,250)
Drawdown of borrowings		120,000	32,000
Repayment of borrowings		(53,146)	(11,005)
Payment of lease liabilities		(848)	(1,046)
Transaction costs paid		(1,332)	(627)
Interest paid		(696)	(2,641)
Net cash flows generated from/(used in) financing activities		220,852	(5,569)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,023)	(8,210)
EFFECT OF EXCHANGE RATE CHANGES		(24)	127
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		17,131	24,936
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		15,084	16,853

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes.

Explanatory Notes on the Quarterly Report – 30 June 2022

## **A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

### **A1. Basis of Preparation**

This condensed consolidated financial information of CTOS Digital Berhad (“the Company”) and its subsidiaries (“the Group”) is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Malaysian Financial Reporting Standard (“MFRS”) 134 – Interim Financial Reporting and International Accounting Standard 34 “Interim Financial Reporting”. The condensed consolidated financial information is unaudited and should be read in conjunction with the Group’s audited annual financial statements for the financial year ended 31 December 2021.

The significant accounting policies and methods of computation adopted for the condensed consolidated financial information are consistent with those adopted for the audited consolidated financial statements for the financial year ended 31 December 2021 except for the adoption of the following amendment to published standard:

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022)
- Annual Improvements to MFRS 9 ‘Fees in the 10% test for derecognition of financial liabilities’ (effective 1 January 2022)
- Amendments to MFRS 116 ‘Proceeds before Intended Use’ (effective 1 January 2022)
- Amendments to MFRS 137 ‘Onerous contracts – cost of fulfilling a contract’ (effective 1 January 2022)

The adoption of the amendments did not have any impact on the Group.

#### **Amendments to MFRS that are applicable to the Group but not yet effective**

The Malaysian Accounting Standards Board had issued the following amendments to MFRS of which are effective for the financial period beginning on or after 1 January 2023.

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 (effective 1 January 2023)
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current (effective 1 January 2023)
- Amendments to MFRS 101 – ‘Disclosure of accounting policies’ (effective 1 January 2023)
- Amendments to MFRS 108 – ‘Definition of accounting estimates’ (effective 1 January 2023)
- Amendments to MFRS 112 – ‘Deferred tax related to assets and liabilities arising from a single transaction’ (effective 1 January 2023)

The Group did not early adopt these amendments to MFRS and they are not expected to have a material impact to the Group.

### **A2. Seasonal or Cyclical Factors**

The Company does see some impact from the festive season which generally occurs in the first half of the year with the second half typically being stronger. Pent up demand from the festive season is captured early in the second half while larger corporates looking to maximise on their budget allocations will see increased demand for services such as insights and analytics in the latter part of the year.

Explanatory Notes on the Quarterly Report – 30 June 2022

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 30 June 2022.

**A4. Material Changes in Estimates**

There were no changes in estimates which had a material effect in the financial period ended 30 June 2022.

**A5. Debts and Equity Securities**

During the financial period, the issued and paid-up ordinary share capital of the Company was increased from RM412.5 million to RM584.2 million by way of issuance of 110,000,000 new ordinary shares at an issue price of RM1.58 per share pursuant to the private placement exercise which was completed on 3 March 2022. Following the allotment of new shares, the Company's total number of share capital has increased to 2,310,000,000 shares.

Other than the above, there was no other issuance, repurchase and repayment of debts and equity securities during the financial period ended 30 June 2022.

**A6. Dividends Paid**

	Single-tier tax-exempt dividend <u>per share</u> sen	Amount of dividends, single-tier <u>tax-exempt</u> RM'000
<u>30.6.2022</u>		
Dividends paid in respect of the financial year ended 31 December 2021:		
- third interim dividend, paid on 25 February 2022	0.330	7,260
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Dividends paid in respect of the financial year ending 31 December 2022:		
- first interim dividend, paid on 10 June 2022	0.325	7,507
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## A7. Segment Reporting

The Group is primarily engaged in credit reporting, digital software related services including software development, outsourcing and provision of training. Management has determined the operating segments to be based on the management reports reviewed by the chief operating decision makers (“CODM”) that are used to make strategic decisions, for which discrete financial information is available. For management purposes, the Group is organised into two reportable segments based on their geographical locations. The reportable segments are summarised as follows:

- (i) Malaysia which comprises the provision of credit reporting services (sale of reports, monitoring and trade referencing services and other services), sale of software licenses and provision of installation and maintenance services to 3 types of customers, namely Key Accounts, Commercial and Direct-to-Consumer; and
- (ii) International which comprises the provision of comprehensive commercial credit reports and bulk commercial data sales to international customers.

The provision of credit reporting services (sale of reports) by CIBI previously included in the International segment is presented as discontinued operations following the completion of the Distribution on 15 June 2021. The financial results are not reported in the International segment as they are no longer reviewed by the CODM.

The performance of the operating segments is measured based on segment profit calculated as profit for the relevant financial year plus tax expense, finance costs, depreciation and amortisation and foreign exchange losses less interest income, foreign exchange gains and share of profits of associates.

The share of results of associates represents the following:

- (i) business of a credit reporting, credit bureau and information services and provider of credit enterprise software in Malaysia; and
- (ii) business of a service provider, developer of local and global financial information system and as an online and offline business information service provider as well as consulting service and database management in Thailand;

The CODM also reviews the revenue of the Malaysia and International segments by type of customers as disclosed in Note A8. All assets are managed based on their geographical locations. Capital expenditure comprises additions to property, plant and equipment, right-of-use (“ROU”) assets and intangible assets.

Explanatory Notes on the Quarterly Report – 30 June 2022

**A7. Segment Reporting (continued)**

	30.6.2022				Cumulative Quarter ended			
	Malaysia	International	Elimination	Total	Malaysia	International	Elimination	Total
				RM'000				RM'000
<b>Continuing operations</b>								
<b>Revenue</b>								
Sales to external customers	84,422	4,769	-	89,191	72,466	3,338	-	75,804
Inter-segment sales	360	120	(480)	-	135	15	(150)	-
<b>Total revenue</b>	<b>84,782</b>	<b>4,889</b>	<b>(480)</b>	<b>89,191</b>	<b>72,601</b>	<b>3,353</b>	<b>(150)</b>	<b>75,804</b>
<b>Gross profit</b>	<b>71,256</b>	<b>3,915</b>	<b>-</b>	<b>75,171</b>	<b>63,731</b>	<b>2,796</b>	<b>-</b>	<b>66,527</b>
<b>Segment profit</b>	<b>32,292</b>	<b>2,860</b>	<b>-</b>	<b>35,152</b>	<b>31,785</b>	<b>2,007</b>	<b>-</b>	<b>33,792</b>
Dividend income	1,346	-	-	1,346	-	-	-	-
Depreciation and amortisation	(3,883)	(91)	-	(3,974)	(4,022)	(95)	-	(4,117)
Finance costs	(1,458)	-	-	(1,458)	(5,197)	-	-	(5,197)
Finance income	178	12	-	190	67	12	-	79
Share of profits of associates	4,286	3,852	-	8,138	852	2,568	-	3,420
Realised and unrealised (losses)/gains on foreign exchange - net	(86)	45	-	(41)	(2,952)	11	-	(2,941)
<b>Profit before taxation</b>	<b>32,675</b>	<b>6,678</b>	<b>-</b>	<b>39,353</b>	<b>20,533</b>	<b>4,503</b>	<b>-</b>	<b>25,036</b>
Tax expense	(3,720)	(678)	-	(4,398)	(4,375)	(553)	-	(4,928)
<b>Profit from continuing operations</b>	<b>28,955</b>	<b>6,000</b>	<b>-</b>	<b>34,955</b>	<b>16,158</b>	<b>3,950</b>	<b>-</b>	<b>20,108</b>
<b>Discontinued operations</b>								
Loss from discontinued operations				-				(1,134)
<b>Profit for the financial period</b>				<b>34,955</b>				<b>18,974</b>
Segment assets	426,627	188,420	-	615,047	152,220	133,285	-	285,505
<b>Other disclosures</b>								
Non-cash item* (other than depreciation and amortisation)	(218)	(22)	-	(240)	3,021	-	-	3,021
Capital expenditure arising from:								
- acquisition of a subsidiary	-	-	-	-	-	37,613	-	37,613
- property, plant and equipment, ROU assets and intangible assets additions	1,203	6	-	1,209	1,890	30	-	1,920

\* Included in non-cash items are (reversal of) / allowance for impairment of receivables and deposits – net, defined benefit plan expenses and unrealised loss on foreign exchange.

Explanatory Notes on the Quarterly Report – 30 June 2022

**A7. Segment Reporting (continued)**

Geographical segments

Non-current assets

Non-current assets are determined according to the country of the operating segment. Non-current assets exclude financial instruments and deferred tax assets.

	As at	
	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000
Malaysia	411,572	175,364
Thailand	142,254	113,704
	<u>553,826</u>	<u>289,068</u>

Borrowings and lease liabilities

	As at	
	<u>30.6.2022</u>	<u>31.12.2021</u>
	RM'000	RM'000
Malaysia	70,072	4,646

Information about a major customer

There is no single customer that contributed 10% or more of the Group's revenue throughout the reported financial period.

**A8. Revenue**

The disaggregation of revenue by types of services are as follows:

	<u>Note</u>	Cumulative Quarter ended	
		<u>30.6.2022</u>	<u>30.6.2021</u>
		RM'000	RM'000
Provision of services	(a)		
- digital reports		36,123	28,846
- subscriptions and monitoring services		41,565	40,719
- comprehensive portfolio review and analytics		5,716	3,062
- digital solutions		5,787	3,177
		<u>89,191</u>	<u>75,804</u>

a) Revenue from contracts with customers:

	Cumulative Quarter ended	
	<u>30.6.2022</u>	<u>30.6.2021</u>
	RM'000	RM'000
Timing of revenue recognition:		
- at a point in time	45,460	34,003
- over time	43,731	41,801
Revenue from contracts with customers	<u>89,191</u>	<u>75,804</u>

#### A8. Revenue (continued)

The Group serves three distinct types of customers, namely Key Accounts, Commercial and Direct-to-Consumer. Key Accounts customers comprise the Group’s highest revenue-generating customers as well as other selected customers, such as those with complex requirements or well-recognised brands. Commercial customers comprise (i) the Group’s Malaysian segment commercial customers other than Key Accounts customers and (ii) all of CTOS Basis Sdn. Bhd.’s (“CTOS Basis”), a wholly owned subsidiary of the Company, customers which are all commercial customers included within the international segment in Note A7. Direct-to-Consumer comprise the Group’s retail consumers.

The disaggregation of revenue by types of customers are as follows:

	Cumulative Quarter ended	
	30.6.2022	30.6.2021
	RM’000	RM’000
Type of customers		
- Key Accounts	33,267	25,284
- Commercial – Malaysia	43,974	42,018
- Commercial – International	4,769	3,338
- Direct-to-Consumer	7,181	5,164
Total	89,191	75,804

#### A9 Valuations of Property, Plant and Equipment

There were no revaluations of property, plant and equipment during the financial period ended 30 June 2022. As at 30 June 2022, all property, plant and equipment were stated at cost less accumulated depreciation.

#### A10. Changes in the Composition of the Group

##### 1. Investment in an associate

On 4 March 2022, the Company completed the acquisition of 490,000 ordinary shares in Juris Technology Sdn. Bhd. (“JurisTech”) for a total cash consideration of RM205.8 million. Upon completion of the transaction, JurisTech becomes an associate of the Company.

##### 2. Accretion of equity interest in an associate

On 9 March 2022, the Company acquired additional 17,846,200 ordinary shares in Business Online Public Company Limited (“BOL”) representing 2.175% of the total paid up share capital of BOL, for a total cash purchase consideration of THB205.2 million or equivalent to RM26.2 million. Upon completion of the acquisition, the shareholdings in BOL increased to 203,690,600 ordinary shares, representing 24.825% of the equity interest in BOL. The acquisition was completed on 11 March 2022.

##### 3. Other investments

During the financial period, the Company acquired a total of 1,110,000 ordinary shares in RAM Berhad (“RAM”), representing 11.1% of the total issued and paid-up share capital of RAM for a total cash consideration of RM32.0 million. The Group currently holds 19.225% in RAM as at end of the financial period.

Other than the above, there were no changes in the composition of the Group during the financial period ended 30 June 2022.

#### A11. Material Events Subsequent to the Financial Period

Other than as disclosed in Note B7, there were no material events subsequent to the end of the financial period up to the date of this report.

#### A12. Contingent Liabilities or Contingent Assets

In the normal course of business, there are contingent liabilities arising from legal recourse sought on the Group's credit reporting operations. There were no material losses anticipated as a result of these transactions.

- a) In January 2020, CDS, a wholly owned subsidiary of the Company was served a legal notice by a Plaintiff on the basis of an alleged negligence in reporting credit information. CDS reiterates through its defence that it is a licensed entity under the Credit Reporting Agencies Act 2010 (Act) and has conducted its business pursuant to and in compliance of the Act. The Court has fixed the matter for full trial on 11 and 12 May 2023.
- b) In February 2022, CDS was served a legal notice by a Plaintiff on the basis of an alleged inaccuracy in reporting credit information and that the said reporting was not consented. CDS reiterates through its defence that it is a licensed entity under the Act and has conducted its business pursuant to and in compliance of the Act. The Court has directed parties to comply with pre-trial case management directions. Upon application by the Plaintiff, the Court has fixed the case for Summary Judgment and the same is fixed for decision on 23 August 2022.
- c) In July 2022, CDS was served with a writ summon by a Plaintiff who seeks Court's Order and/or Injunction against CDS (First Defendant) to delete and/or withdraw the credit information under the "Special Attention Account" status in the Plaintiff's credit report that relates to the "Temporary Overdraft" facility granted by a financial institution (Second Defendant) to the Plaintiff. In addition, the Plaintiff further seeks an Order against the Second Defendant to withdraw the publication and/or any upload of credit information under the "Special Attention Account" status relating to the "Temporary Overdraft" facility in CTOS and other credit reporting agency in Malaysia including Bank Negara Malaysia (BNM) through BNM CCRIS database. The Court has fixed the matter for case management on 15 August 2022.

The Directors and the Group's legal counsel are of the view that the Group has a fair chance in successfully defending the cases based on past precedents and no provisions are required in the condensed consolidated financial information as at 30 June 2022. Furthermore, CDS's obligations from these claims, if any, are unable to be measured reliably as at 30 June 2022.

There were no other material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2021.

#### A13. Capital Commitments

Significant capital expenditure contracted for at the end of reporting date but not recognised as liabilities are as follows:

	<u>30.6.2022</u>	<u>As at</u> <u>31.12.2021</u>
	RM'000	RM'000
<u>Contracted</u>		
- property, plant and equipment	1,543	319
- intangible assets	1,168	1,240
	<u>2,711</u>	<u>1,559</u>



#### A14. Significant Related Party Transactions

The related party transactions described below were carried out on agreed commercial terms and transacted on an arm's-length basis with the related parties.

<u>Group</u>	Transactions for the period ended <u>30.6.2022</u> RM'000	Balances as at <u>30.6.2022</u> RM'000
Purchase of services		
- Professional services from Credisense Limited ("Credisense")	575	76
Sale of services		
- Advisory and support services to CIBI Holdings	1,366	255

The Group has entered into the above related party transactions with parties whose relationships are set out below:

- (i) Credisense, being an entity connected to the immediate holding company, Inodes Limited, is principally engaged in software development. Credisense has been providing services to CDS pursuant to a master software license and service agreement dated 8 June 2018 comprising software, consultancy, training, maintenance and support.
- (ii) CIBI Holdings, being an entity connected to certain directors of the Company, is an investment holding company. CDS provides advisory and support services relating to credit bureaus to CIBI Holdings from September 2021.

#### A15. Fair Value Measurements

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

- a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group approximated their fair values as at 30 June 2022.

**A15. Fair Value Measurements (continued)**

b) Financial instruments carried at fair value

The following table represents the assets and liabilities measured at fair value, using the respective valuation techniques, as at 30 June 2022:

	<u>Level 1</u> RM'000	<u>Level 3</u> RM'000
<u>Non-current asset</u>		
Other investment	-	49,647
	<u>                    </u>	<u>                    </u>
<u>Current asset</u>		
Other investments		
- Investment in money market funds	18,588	-
	<u>                    </u>	<u>                    </u>
<u>Current liability</u>		
Contingent consideration	-	9,429
	<u>                    </u>	<u>                    </u>

The fair value of the other investments is calculated based market approach using market multiples, financial information of the equity investments and a discount/premium applied in the valuation. Fair value gain and loss is presented in other comprehensive income.

The fair value of the contingent consideration is calculated as the present value of estimated future cash flow using a discount rate that is adjusted for projection and credit risk. Fair value gain and loss is presented in profit or loss within other income/expense.

**PART B: EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS**

**B1. Review of Group Performance**

	Cumulative Quarter ended		% + / (-)
	30.6.2022 RM'000	30.6.2021 RM'000	
Revenue			
Malaysia	84,422	72,466	16.5
International	4,769	3,338	42.9
	<u>89,191</u>	<u>75,804</u>	17.7
Segment profit			
Malaysia	32,292	31,785	1.6
International	2,860	2,007	42.5
	<u>35,152</u>	<u>33,792</u>	4.0
Profit before tax ("PBT")	39,353	25,036	57.2
Profit/(loss) after tax			
Continuing operations	34,955	20,108	73.8
Discontinued operations	-	(1,134)	(100.0)
	<u>34,955</u>	<u>18,974</u>	84.2
Profit/(loss) attributable to Owners of the Company ("PATAMI")			
Continuing operations	34,955	20,108	73.8
Discontinued operations	-	(583)	(100.0)
	<u>34,955</u>	<u>19,525</u>	79.0
Reconciliation of PATAMI to Normalised PATAMI:			
PATAMI	34,955	19,525	79.0
Add:			
Losses from CIBI Holdings and CIBI	-	583	
Costs related to acquisitions	757	96	
Realised and unrealised foreign exchange losses on USD borrowings	-	2,920	
Incremental income tax expense	6,587	3,075	
Write back of prior year tax	(4,197)	-	
	<u>38,102</u>	<u>26,199</u>	45.4
Interest expense on bank borrowings	1,367	5,157	
	<u>39,469</u>	<u>31,356</u>	25.9

Note 1 – Normalised PATAMI is calculated as profit for the financial period attributable to owners of the Company plus (i) losses from CIBI and CIBI Holdings; (ii) costs related to our acquisition of CTOS Basis (for the financial period ended ("FPE") 30 June 2021) and acquisitions of RAM, JurisTech and additional investment in BOL (for the FPE 30 June 2022); (iii) realised and unrealised foreign exchange losses/(gains) on USD borrowings; (iv) incremental income tax expense of CDS recognised based on the statutory tax rate of 24% for FPE 30 June 2022 and estimated annual effective tax rate of 15.2% for the FPE 30 June 2021 as compared to the tax payable by CDS in accordance with the tax exemption granted for the tax relief period under the Pioneer Status incentives (refer to note B6 for more details); (v) write back of prior year tax of CDS on approval of transition to the MSC Malaysia Status Services Incentive for the period from 1/7/2021 to 8/11/2021 and (vi) interest expense on bank borrowings.

## **B1. Review of Group Performance (continued)**

For the six months period ended 30 June 2022, the Group recorded revenue of RM89.2 million which was 17.7% higher compared to the revenue of RM75.8 million in the corresponding period of the previous year. PBT increased by 57.2% to RM39.4 million in the current financial period from RM25.0 million in the corresponding period of the previous financial year and PATAMI grew 79.0% to RM35.0 million from RM19.5 million recorded a year ago.

Revenue from the Malaysia operations for the six months period ended 30 June 2022 grew by 16.5% to RM84.4 million compared to RM72.5 million a year ago, with higher revenue from all the for all 3 types of customers (namely Key Accounts, Commercial - Malaysia and Direct-to-Consumer). Key Accounts and Direct-to-Consumer recorded strong growth of 31.6% and 39.1% respectively driven by strong demand for CTOS Data Systems Reports, digital solutions and comprehensive portfolio review and analytics services. Segment profit increased marginally by 1.6% despite the 16.5% growth in revenue as a result of the Group's continuing investment in key talents, cybersecurity and technology to drive future growth.

The International operations recorded a 42.9% growth in revenue to RM4.8 million and a 42.5% growth in segment profit to RM2.9 million in the current financial period contributed by the higher bulk data sales.

PBT for the Group increased by 57.2% or RM14.3 million, to RM39.4 million in the current financial period attributable to the higher share of profits of associates and lower finance costs and foreign exchange losses as well as receipt of dividend income of RM1.3 million from our investment in RAM. Share of profits of associates jumped to RM8.1 million from RM3.4 million a year ago, contributed by JurisTech which was acquired in March 2022 and higher profit from BOL, our associate in Thailand. The finance costs and foreign exchange losses incurred in the previous financial year were in relation to the borrowings procured to finance the acquisition of our investments which have been fully settled with the IPO proceeds in the previous financial year.

Profit after tax increased by 84.2% or RM16.0 million to RM35.0 million from RM19.0 million in the corresponding period of the previous year after incorporating the write back of prior year tax in CDS of RM4.2 million following the approval received on 26 May 2022 on the transition to the MSC Malaysia Status Services Incentive for the transitional period from 1 July 2021 until 8 November 2021 (see Note B6). The profit for the period in the corresponding period of the previous year included loss from CIBI Holdings and CIBI of RM1.1 million which has been classified as discontinued operations following the completion of the distribution by way of dividend-in-specie of the ordinary shares in CIBI Holdings held by the Company on 15 June 2021.

Normalised PATAMI increased by 25.9% or RM8.1 million to RM39.5 million in the current period from RM31.4 million in the corresponding period of the previous financial year attributed mainly to the growth in our segment profit and the higher share of profits of associates. Excluding the normalisation of interest expense on borrowings, the normalised PATAMI grew by 45.4% or RM11.9 million.

**B2. Comparison with Immediate Preceding Quarter**

	Quarter ended		% + / (-)
	30.6.2022 RM'000	31.3.2022 RM'000	
Revenue			
Malaysia	44,242	40,180	10.1
International	2,270	2,499	(9.2)
	<u>46,512</u>	<u>42,679</u>	9.0
Segment profit			
Malaysia	17,026	15,266	11.5
International	1,299	1,561	(16.8)
	<u>18,325</u>	<u>16,827</u>	8.9
PBT	<u>22,746</u>	<u>16,607</u>	37.0

The Group recorded revenue of RM46.5 million for the current quarter which is a 9.0% or RM3.8 million increase compared to RM42.7 million in the preceding quarter while segment profit increased by 8.9% or RM1.5 million to RM18.3 million compared to RM16.8 million in the preceding quarter.

The profit from Malaysia operations increased by 11.5% or RM1.8 million from RM15.3 million in the preceding quarter to RM17.0 million in the current quarter contributed by the strong growth in revenue particularly from Key Accounts and Direct-to-Consumer customers driven by strong demand in CTOS Data Systems reports and digital solutions.

The profit from International operations reported a lower profit of RM1.3 million compared to RM1.6 million in the preceding quarter mainly due to the lower revenue in the current quarter.

Group PBT increased by 37.0% or RM6.1 million attributed to the higher segment profit and higher share of profit of associates of RM3.3 million with contribution from newly acquired associate, JurisTech and higher contribution from BOL.

**B3. Prospects of the Group**

With the continued recovery of the Malaysian economy the Company expects its subsidiaries and business segments to continue to grow in line with expectations in the second half of 2022. For the financial year ending 31 December 2022 (“FYE2022”), CDS will continue to leverage off the expansion of the digital economy and deliver on its digital solutions and analytical insights to its extensive Key Accounts customer base while continuing its growth in BAU. The Commercial segment should see growth through new account activations targeting the almost 900,000 SMEs in Malaysia as SMEs push forward and require the tools that will help them to make informed decisions on granting credit or credit terms to their customers as well as helping them to reinforce good payment behaviour to enhance their cash collection rates as part of their own business recovery strategies. CDS will continue to expand on its Direct-to-Consumer business through financial literacy programs and partnerships in FYE2022 to the circa 15 million credit active consumers in Malaysia. The Group will also develop its synergy opportunities both in Malaysia and in Thailand through its strategic and accretive investments. With the investment in JurisTech, we will further enhance our value proposition bringing unique end-to-end digital lending solutions to our clients.

The challenges the Group faced in 2021 and how it overcame them has it well placed for sustainable growth.

Our associate companies are expected to continue to perform according to expectations. The Group will focus on leveraging existing investments in the medium term.

There are some challenges in the domestic and global markets. However, we do have control measures in place and barring unforeseen circumstances, the Board is optimistic that the medium to long term outlook for the Group is positive with potential upside through expansion into new verticals.

Explanatory Notes on the Quarterly Report – 30 June 2022

**B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee**

Not applicable as there was no financial forecast issued for the current financial period.

**B5. Profit Before Tax**

The following items have been (credited)/charged in arriving at the profit before tax:

	Quarter ended		Cumulative Quarter ended	
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
	RM'000	RM'000	RM'000	RM'000
Allowance/(reversal of allowance) for impairment of receivables - net	50	63	(255)	232
Depreciation of property, plant and equipment	1,346	1,540	2,665	3,136
Depreciation of right-of-use assets	400	456	799	954
Realised loss/(gain) on foreign exchange	20	(22)	26	42
Unrealised (gain)/loss on foreign exchange	(20)	(141)	15	2,933
Bad debt recovered	-	(7)	-	(29)
Amortisation of intangible assets	246	230	510	502
Dividend income	(1,346)	-	(1,346)	-
Finance income:				
- interest income	(25)	(36)	(41)	(81)
- distribution income from money market funds	-	-	(61)	-
- fair value gain on other investments	(84)	-	(88)	-

Other than as presented in the condensed consolidated statements of comprehensive income and as disclosed above, there were no material gains/losses on disposal of quoted and unquoted investments or properties and other exceptional items for the financial period ended 30 June 2022.

**B6. Tax Expense**

	Quarter ended		Cumulative Quarter ended	
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Current tax				
- current period	4,071	3,325	7,915	5,939
- over accrual in prior year	(4,197)	-	(4,197)	-
	(126)	3,325	3,718	5,939
Deferred tax				
- origination and reversal of temporary differences	392	(865)	680	(1,011)
	266	2,460	4,398	4,928
<b>Discontinued operations</b>				
	-	14	-	164
	266	2,474	4,398	5,092

## **B6. Tax Expense (continued)**

The Group's effective tax rate for the current financial period ended 30 June 2022, excluding share of profits of associates was 29.1%, higher than the statutory tax rate of 24% mainly due to the non-deductibility of certain expenses.

CDS is entitled to pioneer status incentives under the Promotion of Investments Act ("PIA") 1986 for MSC Malaysia Qualifying Activities. As a result, certain CDS profits are exempted from tax for a period of 10 years, beginning on 9 November 2016. However, based on the provisions of the PIA 1986, the incentive's effective period is only for the first 5 years. CDS can enjoy an extension of a second 5-year incentive period by applying to the Malaysian Investment Development Authority ("MIDA").

The tax relief period under CDS's MSC Pioneer Certificate is from 9 November 2016 to 8 November 2021. However, pursuant to the Grandfathering and Transitional Guidelines issued by Malaysia Digital Economy Corporation ("MDEC") which became effective on 1 January 2019, such tax relief period will only last until 30 June 2021. CDS requires approval from the MDEC or the relevant authorities to continue enjoying these tax incentives from 1 July 2021 until 8 November 2021 (the "Transitional Period").

CDS has on 26 May 2022 received the approval letter from MIDA via MDEC on Transition to the MSC Malaysia Status Services Incentive under Income Tax (Exemption) (No. 10) Order 2018 [P.U. (A) 389/2018], Income Tax Act 1967, which grants tax incentives for the whole of the Transitional Period.

CTOS has submitted a new application to MDEC in accordance with the new conditions stipulated in the approval letter, for an extension of tax exemption period for the next five years until 2026.

Pending approval from MDEC, CDS's tax expense for the current period ended 30 June 2022 was computed using the corporate income tax rate of 24%. In the six months period ended 30 June 2021, an estimated annual effective tax rate of 15.2% has been used to compute CDS's tax expense taking into consideration the expiry date of the tax incentive (assuming no extension) and the tax rates and tax laws substantially enacted as at 30 June 2021.

Tax expense for the taxation authorities in the Philippines is calculated at the rate prevailing in that jurisdiction.

## **B7. Status of Corporate Proposals**

### Proposed Acquisition of RAM, Proposed Additional Acquisition of RAM, Proposed Share Buy-Back

On 15 July 2022, Maybank Investment Bank Berhad, on behalf of the Board of Directors of the Company announced that the Company proposes to undertake the following:

- (i) **Proposed Acquisition of RAM**  
On 15 July 2022, the Company entered into a conditional share purchase agreement for the proposed acquisition of 1,990,000 ordinary shares in RAM ("RAM Shares") representing 19.9% equity interest in RAM from Oscar Matrix Sdn Bhd for a cash consideration of approximately RM51.3 million;
- (ii) **Proposed Additional Acquisition of RAM**  
The Proposed Additional Acquisition of RAM involves the potential acquisition of up to 3,087,500 RAM Shares, representing approximately 30.9% equity interest at RAM at a price of not more than RM28.50 per RAM Share for a total cash consideration of up to approximately RM88.0 million over a period of 12 months from the date of the Company's shareholders' approval to be sought at an extraordinary general meeting ("EGM") of the Company. The final aggregate consideration for the Proposed Additional RAM Acquisition is subject to the price and the terms and conditions of the sale of the RAM Shares to be mutually agreed between the Company and the potential sellers of the RAM Shares.

(collectively, referred to as "Proposals").

## B7. Status of Corporate Proposals (continued)

The Proposals are also subject to the following being obtained:

- (i) approval of the non-interested shareholders of the Company for the Proposed RAM Acquisition at an EGM to be convened;
- (ii) approval of the shareholders of the Company for the Proposed Additional RAM Acquisition at an EGM to be convened; and
- (iii) approval, waiver and/or consent of any other relevant authorities and/or parties, if required.

Upon completion of the Proposals, the Company may hold up to 7,000,000 RAM Shares, representing 70.0% equity interest in RAM.

Additionally, on 15 July 2022, the Board of Directors of the Company also announced that the Company intends to seek shareholders' approval on the proposed authority for the Company to undertake a share buy-back of up to ten percent (10%) of its total number of issued shares ("Proposed Share Buy-Back") at the forthcoming EGM of the Company.

Other than the above, there is no corporate proposal announced but not completed as at the date of this report.

## B8. Utilisation of Proceeds from the Placement

On 3 March 2022, the Company completed a private placement exercise of 110.0 million new ordinary shares at an issue price of RM1.58 per share for a total proceeds of RM173.8 million.

The status of utilisation of proceeds from the placement as at 18 July 2022 is as follows:

<u>Details of use of proceeds*</u>	<u>Estimated timeframe for use from the date of Placement</u>	<u>Amount raised RM'000</u>	<u>Amount utilised RM'000</u>	<u>Balance unutilised RM'000</u>
Acquisition of JurisTech	Within 6 months	132,045	(132,045)	-
Additional BOL acquisition	Within 12 months	26,249	(26,249)	-
Estimated expenses for the Placement	Within 1 month	2,119	(2,119)	-
Other acquisitions to be identified	Within 12 months	13,387	(13,387)	-
		<u>173,800</u>	<u>(173,800)</u>	<u>-</u>

\* Proposed utilisation of proceeds based on the addendum dated 16 February 2022 and announcement dated 17 February 2022.

## B9. Borrowings

	<u>Currency</u>	<u>30.6.2022</u>	<u>As at 31.12.2021</u>
		<u>RM'000</u>	<u>RM'000</u>
<u>Secured</u>			
<u>Non-current</u>			
<u>Term loan</u>	RM	<u>66,192</u>	<u>-</u>



#### B10. Material Litigation

Save as disclosed in Note A12, there were no other material changes to the material litigation as at the date of this report since the last audited financial statements for the financial year ended 31 December 2021.

#### B11. Financial Liabilities

The Group recognised fair value loss of RM0.2 million during the financial period ended 30 June 2022 on the contingent consideration for the acquisition of CTOS Basis (see Note A15(b)).

Save as disclosed above, there was no other gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

#### B12. Dividends

The Board of Directors has declared a second interim single tier dividend of 0.59 sen per ordinary share in respect of the financial year ending 31 December 2022, which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967, to be paid on 13 September 2022. The entitlement date for the dividend payment is 16 August 2022.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred into the depositor's securities account before 4.30 pm on 16 August 2022 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

#### B13. Earnings per Share

Basic and diluted earnings per share of the Group is calculated by dividing the profit attributable to the owners of the Company by the weighted average numbers of ordinary shares in issue during the financial period.

	<u>Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
Profit/(loss) attributable to the owners of the Company (RM'000)				
- Continuing operations	22,480	12,019	34,955	20,108
- Discontinued operations	-	(179)	-	(583)
	<u>22,480</u>	<u>11,840</u>	<u>34,955</u>	<u>19,525</u>
Number of shares at the beginning of the period ('000)	2,310,000	2,000,000	2,200,000	2,000,000
Adjusted for increase in number of shares on 3 March 2022 ('000)	-	-	72,928	-
	<u>2,310,000</u>	<u>2,000,000</u>	<u>2,272,928</u>	<u>2,000,000</u>
Weighted average number of ordinary shares in issue ('000)	2,310,000	2,000,000	2,272,928	2,000,000
Basic/Diluted earnings per ordinary share (sen)				
- Continuing operations	0.9	0.6	1.5	1.0
- Discontinued operations	-	*	-	*
	<u>0.9</u>	<u>0.6</u>	<u>1.5</u>	<u>1.0</u>

\* Negligible