

PERTAMA DIGITAL BERHAD

198401002327 (114842-H)

(Incorporated In Malaysia)

QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

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INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30.9.2021 RM'000 UNAUDITED	AS AT 30.6.2020 RM'000 AUDITED
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	333	187
Development costs	2,601	-
Investment in a joint venture	-	13,611
Goodwill	32,145	14,827
	35,079	28,625
CURRENT ASSETS		
Trade receivables	7,761	15,666
Contract assets	-	3,565
Other receivables, deposits and prepayments	2,612	1,527
Fixed deposits with licensed banks	10,518	-
Cash and bank balances	9,727	187
	30,618	20,945
Assets classified as held for sale	145,770	123,531
	211,467	173,101
TOTAL ASSETS		
TOTAL EQUITY AND LIABILITIES		
EQUITY		
Share capital	48,816	134,816
Statutory reserves	9,004	15,933
Accumulated losses	(24,694)	(66,581)
	33,126	84,168
Reserves classified as held for sale	28,728	40,420
	61,854	124,588
Equity attributable to owners of the Company	61,854	124,588
Non-controlling interests	124,274	3,428
	186,128	128,016
CURRENT LIABILITIES		
Trade payables	5,481	18,723
Other payables and accruals	3,544	6,853
Bank borrowing	8,000	7,750
	17,025	33,326
Liabilities classified as held for sale	8,314	11,759
	25,339	45,085
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES		
	211,467	173,101
Net assets per share (RM)	0.14	0.29

INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

	3 MONTHS		CUMULATIVE 15 MONTHS	
	CURRENT YEAR QUARTER ENDED 30.9.2021 RM'000 Unaudited	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER ENDED RM'000	CURRENT FINANCIAL PERIOD-TO-DATE ENDED 30.9.2021 RM'000 Unaudited	PRECEDING FINANCIAL YEAR YEAR-TO-DATE ENDED RM'000
CONTINUING OPERATIONS				
Revenue	3,994	-	4,946	-
Cost of sales	(2,701)	-	(2,701)	-
Gross profit	1,293	-	2,245	-
Other operating income	49	-	183	-
Administrative expenses	(1,388)	-	(3,504)	-
Other operating expenses	124	-	(743)	-
	78	-	(1,819)	-
Finance cost	(89)	-	(499)	-
	(11)	-	(2,318)	-
Share of results of a joint venture	15	-	904	-
Profit/(Loss) before taxation	4	-	(1,414)	-
Taxation	-	-	-	-
Profit/(Loss) after taxation from continuing operations	4	-	(1,414)	-
DISCONTINUED OPERATIONS				
Profit after taxation from discontinued operations	2,325	-	12,882	-
Profit after taxation	2,329	-	11,468	-
Other comprehensive income, net of tax				
Foreign currency translation differences	7,690	-	14,827	-
Total comprehensive income for the period	10,019	-	26,295	-
Profit attributable to:				
Owners of the Company	897	-	7,107	-
Non-controlling interests	1,432	-	4,361	-
	2,329	-	11,468	-
Total comprehensive income attributable to:				
Owners of the Company	4,896	-	16,709	-
Non-controlling interests	5,123	-	9,586	-
	10,019	-	26,295	-
Earnings/(Loss) per share (sen) :				
Basic				
Continuing operations	(0.07)	-	(0.55)	-
Discontinued operations	0.28	-	2.19	-
Diluted				
Continuing operations	(0.07)	-	(0.55)	-
Discontinued operations	0.28	-	2.19	-

This statement should be read in conjunction with the notes to this report.

There is no comparative figures in the corresponding quarter in the previous financial year as the current financial period of the Company is extended to 18 months

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	15-MONTH PERIOD ENDED 30.9.2021 RM'000 UNAUDITED	PRECEDING FINANCIAL YEAR ENDED 30.6.2020 RM'000 AUDITED
OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
- Continuing operations	(1,414)	(825)
- Discontinuing operations	15,430	(765)
Adjustments for :-		
Allowance for impairment losses on trade receivables	811	2,165
Depreciation	11	-
Interest expense	499	3
Interest income	(262)	(171)
Inventory written down	-	2,054
Loss on disposal of equity interests in subsidiaries	862	-
Loss on re-measurement to fair value less costs to sell	6,354	823
Net gain on financial assets at fair value through profit or loss mandatorily	(5,304)	(1,831)
Net unrealised loss on foreign exchange	2,724	394
Property, plant and equipment written off	-	144
Share of results of joint ventures	(3,840)	(2,064)
Waiver of debts	(1,208)	(236)
Writeback of allowance for impairment losses on trade receivables	(296)	-
Operating profit/(loss) before working capital changes	14,367	(309)
Changes in inventories	2,508	1,207
Changes in receivables	(5,681)	17,022
Changes in payables	7,446	2,557
Cash generated from operations	18,640	20,477
Tax paid	(2,393)	(2,274)
Net cash generated from operating activities	16,247	18,203
INVESTING ACTIVITIES		
Acquisition of a joint venture	-	(11,575)
Acquisition of a subsidiary	(5,594)	(911)
Acquisition of property, plant and equipment	-	(601)
Acquisition of short-term investments	(21,425)	(19,086)
Acquisition of other investment	(1,943)	-
Proceeds received from disposal of equity interests in subsidiaries	30,636	-
Interest received	262	171
Placement of fixed deposits with tenure more than 3 months	(1,310)	(5)
Proceeds from disposal of short-term investments	-	2,370
Net cash used in investing activities	626	(29,637)
FINANCING ACTIVITIES		
Drawdown of bank borrowing	250	7,750
Interest paid	-	(3)
Net cash generated from financing activities	250	7,747
NET CHANGE IN CASH AND CASH EQUIVALENTS	17,123	(3,687)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	13,616	16,756
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS	(3,197)	547
CASH AND CASH EQUIVALENTS CARRIED FORWARD	27,542	13,616

Note : () Denotes cash outflow

This statement should be read in conjunction with the notes to this report.

INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	< ----- Non distributable ----- >			Distributable	Total	Non-controlling interests	Total equity
	Share capital	Statutory reserves	Reserves classified as held for sale	Retained earnings/ (Accumulated losses)			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance at 1 July 2020 (audited)	134,816	15,933	40,420	(66,581)	124,588	3,428	128,016
Profit for the financial period	-	-	-	7,107	7,107	4,361	11,468
Other comprehensive income for the financial period							
- Foreign currency translation differences	-	-	9,602	-	9,602	5,225	14,827
Total comprehensive income for the financial period	-	-	9,602	7,107	16,709	9,586	26,295
Capital reduction	(86,000)	-	-	86,000	-	-	-
Disposal of equity interests in subsidiaries	-	(8,312)	(21,294)	(49,837)	(79,443)	111,260	31,817
Transfer to statutory reserves	-	1,383	-	(1,383)	-	-	-
Balance as at 30 September 2021 (unaudited)	48,816	9,004	28,728	(24,694)	61,854	124,274	186,128

This statement should be read in conjunction with the notes to this report.

PERTAMA DIGITAL BERHAD
198401002327 (114842-H)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting, and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise stated.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2020. These explanatory notes attached to the condensed interim financial statements 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 30 June 2020.

A2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted in these interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2020. During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any) :-

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

MFRS 16 : Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9 : Prepayment Features with Negative Compensation

Amendments to MFRS 119 : Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128 : Long Term Interests in Associates and Joint Ventures

Annual Improvements to MFRSs Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and/or interpretations (including the consequential amendments) did not have any material impact on the Group’s financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In the current financial period, the Group and the Company have applied a number of new standards, amendments and/or IC interpretations that became effective mandatorily for the financial periods beginning on or after 1 July 2020. The adoption of the new standards, amendments and/or IC interpretations did not have significant impact on the disclosures or on amounts reported in the financial statements.

Amendments and new standard issued that are not yet effective

The Group and the Company have not applied the following amendments and new standard that have been issued by the Malaysian Accounting Standards Board ("**MASB**"), which may be relevant to the Group and the Company, but not yet effective :

		<i>Effective Date</i>
Amendments to MFRS 4	Extension of the Temporary Exemption from applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2022
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

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

A3. AUDITORS' REPORT

The auditors' report of the preceding financial year of the Group was not subject to any qualification.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A4. SEASONAL OR CYCLICAL FACTORS

CONTINUING OPERATIONS

i) MOBILE AND DIGITAL SOLUTIONS BUSINESSES SEGMENT

The mobile and digital solutions businesses of the Group are not significantly affected by any seasonal or cyclical factors.

DISCONTINUED OPERATIONS

i) FABRIC PRODUCTION SEGMENT

The Group's sales of fabric products are subject to seasonality effect by virtue of fabrics being a primary input material of fashion and some household products. The majority of the Group's customers are export-oriented garment manufacturers. As such, sales of the Group's fabric products are affected by factors such as change in fashion trends, consumer taste and surge in demand ahead of festive seasons. Economic outlook inevitably will also have a significant impact on the demand of fabric finished products, and hence on the demand of fabrics.

The generally higher production costs (primarily arisen from higher wages, costs relating to compliance to environmental protection rules and utilities costs) impact the financial performance of fabric production.

Consumer sentiment is another important factor that impacts earnings of the fabric production segment, given their spending pattern differs at different stages in the economic cycle, which affects the demand for fashion products and consequently the demand over the Group's fabric products.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A5. UNUSUAL ITEMS

a) DISPOSAL OF EQUITY INTERESTS IN SUBSIDIARIES

During the current financial period, there were disposals of equity interests in the following subsidiaries:-

- i) The entire equity interest in Gorgeous Goldhill Sdn. Bhd. ("**GGSB**") was disposed to Dato' Soo Sze Ching ("**Dato Soo**") for RM130,000. GGSB has ceased to be the subsidiary of the Group with effect from 1 September 2020, on which the disposal was completed.
- ii) On 21 September 2020, the Company announced that it received the first cash payment for the sum of RM12 million from Gifted Investments Limited ("**GIL**") for the disposal of equity interest held in Be Top Group Limited ("**Be Top**"). Accordingly, tranche 1 share sale has been completed in accordance with the terms set out in the share sale agreement dated 2 May 2019 ("**Disposal SSA**") and supplemental Disposal SSA dated 18 June 2020 ("**Supplemental Disposal SSA**") ("**Tranche 1 Completion**"). After Tranche 1 Completion, the Company still owns 78.5% of equity interest in Be Top and retains control over Be Top.

On 16 July 2021, the Company disposed a further 26.5% of the equity interest in Be Top to GIL for a total cash consideration of RM18,515,497.06 received as the second cash payment. Accordingly, tranche 2 share sale has also completed in accordance with the terms set out in the Disposal SSA and Supplemental Disposal SSA ("**Tranche 2 Completion**"). Post Tranche 2 Completion, the Company's equity interest in Be Top is reduced to 52% but nonetheless retains control over Be Top.

b) CAPITAL REDUCTION

During the second quarter ended 31 December 2020, the Company completed its capital reduction involving reduction of the Company's share capital by RM86 million pursuant to Section 117 of the Companies Act 2016 ("**Act**") to set off the accumulated losses of the Company ("**Capital Reduction**") after receiving a Notice of Confirming Reduction of Share Capital issued by the Companies Commission of Malaysia ("**CCM**") dated 15 December 2020, confirming its compliance with the requirements of the Capital Reduction pursuant to Section 119(4) of the Act.

Pursuant thereto, the Capital Reduction took effect and had completed on 15 December 2020.

c) ACQUISITION OF ADDITIONAL STAKE IN DAPAT VISTA (M) SDN. BHD. ("DVSB**")**

On 3 August 2021, the Company's subsidiary, Television Airtime Services Sdn. Bhd. ("**TAS**"), paid RM5.925 million to acquire additional 24% equity interest in DVSB. Post acquisition, TAS' equity interest in DVSB increased from 56% to 80% which resulted in TAS gaining control over DVSB effective from 3 August 2021.

On 8 September 2021, the Company announced that TAS has completed the acquisition of the additional 24% equity interest in DVSB upon receiving the stamped certificate in relation to the instrument of transfer for the said 24% equity interest in DVSB. DVSB is now an 80%-owned subsidiary of TAS.

A6. CHANGES IN ESTIMATES

There were no changes to the estimates that had been used in the preparation of the current financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A7. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There was no issuance of any debt or equity securities during the quarter under review.

A8. DIVIDEND

There were no dividends declared or paid for the quarter and period ended 30 September 2021.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A9. SEGMENTAL INFORMATION

The following tables provide analysis of the Group's revenue, results, assets, liabilities and other information. There was no comparative figures as the Company changed its accounting year end from 30 June to 31 December in the current 18-month financial period.

	Investment Holding, Mobile and Digital Solutions Businesses		Fabric Production, Project Management and Infrastructure Construction		Adjustments and Elimination		Per Consolidated Financial Statements	
	<i>Continuing</i>		<i>Discontinued</i>		30.9.2021 RM'000	30.9.2020 RM'000	<i>(Cumulative 15 Months)</i>	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000			30.9.2021 RM'000	30.9.2020 RM'000
Revenue	4,946	-	78,047	-	(78,047)	-	4,946	-
Results								
Segment profit/(loss) after tax	(1,414)	-	12,882	-	(12,882)	-	(1,414)	-
Segmental profit/(loss) include the following :-								
Depreciation	11	-	-	-	-	-	11	-
Interest income on :								
Financial assets measured at amortised costs	(150)	-	(112)	-	112	-	(150)	-
Financial assets at fair value through profit or loss loss mandatorily	-	-	(5,304)	-	5,304	-	-	-
Allowance for impairment loss on trade receivables	-	-	811	-	(811)	-	-	-
Inventory written down	-	-	-	-	-	-	-	-
Share of results of joint ventures	(904)	-	(2,938)	-	2,938	-	(904)	-
Unrealised loss on foreign exchange	2,444	-	-	-	(2,444)	-	-	-
Waiver of debt	-	-	-	-	-	-	-	-
Loss on disposal of equity interests in subsidiaries	862	-	-	-	-	-	862	-
Loss on re-measurement to fair value less costs to sell	-	-	-	-	-	-	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

	Investment Holding, Mobile and Digital Solutions Businesses		Fabric Production, Project Management and Infrastructure Construction		Group	
	<i>Continuing</i>		<i>Discontinued</i>			
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Assets						
Segment assets	65,697	40,844	145,770	124,302	211,467	165,146
Consolidated total assets					<u>211,467</u>	<u>165,146</u>
Liabilities						
Segment liabilities	17,025	11,093	7,457	7,368	24,482	18,461
Current tax liabilities	-	-	857	-	857	-
					<u>25,339</u>	<u>18,461</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Not applicable

A11. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Not applicable

A12. CHANGES IN THE COMPOSITION OF THE GROUP

DISPOSAL OF EQUITY INTERESTS HELD IN SUBSIDIARIES

- a) On 28 August 2020, the Company entered into a share sale agreement dated on the same day with Dato' Soo in relation to the disposal of 100% equity interest held in GGSB comprising 750,000 ordinary shares for a cash consideration of RM130,000 ("**Disposal of GGSB**"). GGSB represented the project management services and infrastructure construction segment. The segment assets and segment liabilities as at 28 August 2020 were approximately:-

	RM'000
Segment assets	20,054
Segment liabilities	(19,072)

Net assets	982
	=====

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A12. CHANGES IN THE COMPOSITION OF THE GROUP (CONT'D)

DISPOSAL OF EQUITY INTERESTS HELD IN SUBSIDIARIES (CONT'D)

- a) The transaction was completed on 1 September 2020 and control has been transferred to Dato' Soo on the even date.

The cash flow arising from the disposal is as detailed below:-

Trade receivables	(15,429)
Contract assets	(3,581)
Other receivables, deposits and prepayments	(1,046)
Tax recoverable	(4)
Cash and bank balances	(9)
Trade payables	19,036
Other payables	41
	<hr/>
Net loss on disposal	(992)
Disposal proceeds received	862
Less : cash and bank balances disposed	(130)
	<hr/>
Cash flow from disposal	9
	<hr/>
	(121)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A12. CHANGES IN THE COMPOSITION OF THE GROUP (CONT'D)

DISPOSAL OF EQUITY INTERESTS HELD IN SUBSIDIARIES (CONT'D)

- b) On 2 May 2019, the Company announced that it had on the even date, entered into the Disposal SSA with GIL in respect of the proposed disposal of the entire equity interest in Be Top to GIL for a total cash consideration of RM70 million including assumption of liabilities by GIL (“**Disposal of Be Top**”).

On 18 June 2020, the Company and GIL entered into the Supplemental Disposal SSA to vary and amend certain arrangement, terms and conditions of the Disposal SSA.

On 21 September 2020, the Company announced that it received the first cash payment for the sum of RM12 million from GIL. Accordingly, tranche 1 share sale has been completed in accordance with the terms set out in the Disposal SSA and Supplemental Disposal SSA. After Tranche 1 Completion, the Company still owns 78.5% equity interest in Be Top and retains control over Be Top.

On 16 July 2021, the Company disposed a further 26.5% of the equity interest in Be Top to GIL for a total cash consideration of RM18,515,497.06 received as the second cash payment. Accordingly, tranche 2 share sale has also been completed in accordance with the terms set out in the Disposal SSA and Supplemental Disposal SSA. Post completion of the tranche 2 share sale, the Company's equity interest in Be Top is reduced to 52% but nonetheless retains control over Be Top.

- c) On 3 August 2021, the Company's subsidiary, TAS paid RM5.925 million to acquire additional 24% equity interest in DVSB. Post acquisition, TAS' equity interest in DVSB increased from 56% to 80%, which resulted in TAS gaining control over DVSB effective from 3 August 2021.

On 8 September 2021, the Company announced that TAS has completed the acquisition of the additional 24% equity interest in DVSB upon receiving the stamped certificate in relation to the instrument of transfer for the said 24% equity interest in DVSB. DVSB is now an 80%-owned subsidiary of TAS.

Accordingly, as at 30 September 2021, the goodwill on acquisitions through business combinations of the Group has increased due to additional provisional goodwill arising from the gain of control over DVSB by TAS as follows:

	TAS' acquisition of control over DVSB RM'000
Fair value of consideration paid	19,818
Less:	
Fair value of identifiable assets and liabilities as at the date of acquisition	(2,235)
Goodwill on acquisitions	<u>17,583</u>

As at 30 September 2021, the goodwill on acquisitions through business combinations of the Group stood at RM32.145 million, of which RM23.659 million is attributable to the owners of the Company.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A13. CHANGES IN CONTINGENT LIABILITIES / ASSETS

- (i) There is no contingent liability as at the date of this announcement.
- (ii) There was no change in contingent assets since the last annual financial statements.

A14. CAPITAL COMMITMENT

CAPITAL COMMITMENT AS AT 30 SEPTEMBER	2021 RM'000	2020 RM'000
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Continuing operations

Acquisition of 24% additional equity interest in DVSB	-	5,925
	=====	=====

As disclosed in Note A12(c), TAS paid the purchase consideration of RM5.925 million on 3 August 2021 to acquire 24% equity interest in DVSB. On 8 September 2021, the Company announced that TAS has completed the acquisition of the additional 24% equity interest in DVSB.

A15. FOREIGN CURRENCY TRANSLATION

The translation of the condensed consolidated financial statements from RMB to RM is based on the following exchange rates:-

	For Current Year Quarter Ended 30.9.2021	For Preceding Year Corresponding Quarter
Condensed consolidated statement of comprehensive income		
Based on average rate for the quarter / financial period RMB1.00 to RM	0.6292	n.a.
Condensed consolidated statement of financial position		
Based on closing rate for the quarter / financial period RMB1.00 to RM	0.6475	n.a.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A16. SIGNIFICANT RELATED PARTY TRANSACTION

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

(b) Related Party Transactions

There was no significant related party transaction during the current reporting quarter.

A17. ASSETS CLASSIFIED AS HELD FOR SALE

On 2 May 2019, the Company announced that it had on the even date, entered into the Disposal SSA with GIL in respect of the Disposal of Be Top.

As at the end of the current reporting period, the assets and liabilities and reserves of the production and sale of fabric products segment (operated by the subsidiary of Be Top), have been presented in the consolidated statement of financial position as "Assets classified as held for sale", "Liabilities classified as held for sale" and "Reserves classified as held for sale", and its results are presented separately on the consolidated statement of profit or loss and other comprehensive income as "Profit/(Loss) from discontinued operations".

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)

A17. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

The assets, liabilities and reserves of the disposal group are as follows:-

	30.9.2021	30.6.2020
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	51,966	51,309
Investment property	4,318	4,039
Land use rights	6,206	6,164
Investment in a joint venture	12,316	9,297
Other investment	1,943	-
Deferred tax asset	-	1,633
	<u>76,749</u>	<u>72,442</u>
Loss on re-measurement of assets classified as held for sale	(70,395)	(70,395)
	<u>6,354</u>	<u>2,047</u>
CURRENT ASSETS		
Inventories	7,590	8,059
Trade receivables	13,451	15,799
Other receivables and deposits	1,881	3,323
Current tax assets	-	4,084
Short-term investments	97,125	75,700
Fixed deposits with licensed banks	1,554	1,090
Cash and bank balances	17,815	13,429
	<u>139,416</u>	<u>121,484</u>
TOTAL	<u>145,770</u>	<u>123,531</u>
RESERVES CLASSIFIED AS HELD FOR SALE		
Foreign exchange translation reserve	28,728	40,420
LIABILITIES CLASSIFIED AS HELD FOR SALE		
Trade payables	120	1,263
Other payables and accruals	7,337	10,496
Income tax payable	857	-
Liabilities classified as held for sale	<u>8,314</u>	<u>11,759</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

**PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF APPENDIX 9B)**

B1. REVIEW OF PERFORMANCE FOR THE CURRENT YEAR QUARTER AND CORRESPONDING QUARTER IN THE PRECEDING FINANCIAL YEAR AND YEAR-TO-DATE PERFORMANCE IN THE CURRENT AND PRECEDING FINANCIAL YEAR

The continuing operations of the Group consist of mobile and digital solutions businesses operated through TAS (a 51%-owned subsidiary of the Company) and its 80%-owned subsidiary, DVSB, and investment holding activities under the Company.

The Company changed its financial year end from 30 June to 31 December as announced on 23 February 2021. Therefore, there is no corresponding quarter in the preceding financial year.

In the current reporting quarter ("**2021 Q5**"), the Group's mobile and digital solutions segment registered a revenue of approximately RM3.95 million as a result of the consolidation of DVSB commencing in August 2021. The investment holding segment generated a revenue of approximately RM47,000 derived from interest income in 2021 Q5. The mobile and digital solutions businesses registered a profit before taxation of approximately RM526,000 in 2021 Q5. The continuing operations registered a profit before taxation of approximately RM4,000, which is due solely to the loss before taxation of approximately RM522,000 incurred by the holding company.

For the current financial period to date ("**FPTD 2021**"), the Group registered a revenue of approximately RM4.95 million and loss after taxation of approximately RM1.41 million. The mobile and digital solutions businesses registered a profit after taxation of approximately RM1.87 million in FPTD 2021. The loss after taxation of approximately RM1.41 million in FPTD 2021 is due solely to the loss after taxation of the investment holding segment, primarily due to operating costs for the 15-month period and one-off corporate exercises expenditure.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

**PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF APPENDIX 9B) (CONT'D)**

B2. MATERIAL CHANGES IN THE CURRENT REPORTING QUARTER COMPARED TO THE IMMEDIATE PRECEDING QUARTER

A summary of the financial performance of the Group is as tabulated below:-

	Current Quarter Ended 30.9.2021	Immediate Preceding Quarter Ended 30.6.2021	Changes	
	RM'000	RM'000	RM'000	%
CONTINUING OPERATIONS				
INVESTMENT HOLDING AND MOBILE AND DIGITAL SOLUTIONS				
Revenue	3,994	572	3,422	>100
Gross profit	1,293	572	721	>100
Profit from operations	78	175	(97)	(55.43)
Profit before interest and tax	78	175	(97)	(55.43)
Profit before tax	4	189	(185)	(97.88)
Profit after tax	4	189	(185)	(97.88)
Profit/(Loss) after tax attributable to				
Owners of the Company	(312)	(29)	(283)	(976)
Non-controlling interest	316	218	98	44.95

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

**PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF APPENDIX 9B) (CONT'D)**

B2. MATERIAL CHANGES IN THE CURRENT REPORTING QUARTER COMPARED TO THE IMMEDIATE PRECEDING QUARTER (CONT'D)

A summary of the financial performance of the Group is as tabulated below (cont'd):-

	Current Quarter Ended 30.9.2021	Immediate Preceding Quarter Ended 30.6.2021	Changes	
	RM'000	RM'000	RM'000	%
DISCONTINUED OPERATIONS				
PRODUCTION AND SALE OF FABRICS				
Revenue	20,298	13,197	7,101	53.81
Gross profit	2,295	2,049	246	12.01
Profit from operations	7,482	2,830	4,652	164.38
Profit before interest and tax	2,657	1,534	1,123	73.21
Profit before tax	2,657	1,534	1,123	73.21
Profit after tax	2,325	1,235	1,090	88.26
Profit after tax attributable to				
Owners of the Company	1,209	969	240	24.77
Non-controlling interest	1,116	266	850	319.55

The fabric production segment does not have any borrowing from financial institutions

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

**PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF APPENDIX 9B) (CONT'D)**

B2. MATERIAL CHANGES IN THE CURRENT REPORTING QUARTER COMPARED TO THE IMMEDIATE PRECEDING QUARTER (CONT'D)

(i) REVENUE

a) Continuing operations

Revenue of the Group's continuing operations is mainly derived from the mobile and digital solutions businesses. The higher revenue of approximately RM3.99 million in 2021 Q5 as compared to the immediate preceding quarter ("**2021 Q4**") of approximately RM0.57 million is due to the fact that TAS started to consolidate the results of its 80%-owned subsidiary, DVSB after acquiring an additional 24% stake in August 2021, increasing its total equity interest from 56% to 80% and obtained control in DVSB.

b) Discontinued operations

The revenue from the discontinued operations increased by RM20.30 million in 2021 Q5 compared to the previous quarter ahead of the festive seasons in the year end as well as the beginning of next year, in line with the historical trend of higher demand observed in the July – September periods. The major revenue contributor is production and sale of fabrics.

(ii) RESULTS FROM OPERATIONS

a) Continuing operations

Despite higher revenue being generated in 2021 Q5, the continuing operations recorded a lower profit from operations of RM78,000 versus RM175,000 in 2021 Q4. This is due to higher operating expenses incurred at the holding company level in this quarter.

b) Discontinued operations

Though higher revenue 54% was generated, the gross profit only grew by 12% due to the relatively higher cost of sales.

Significantly higher other operating income caused profit from operations to register more than 100% growth within the quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

**PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF
APPENDIX 9B) (CONT'D)**

(iii) PROFIT/(LOSS) BEFORE INTEREST AND TAX AND PROFIT/(LOSS) BEFORE TAX

a) Continuing operations

For the 2021 Q5, the continuing operations registered a profit before taxation of RM4,000 as compared to a profit before taxation of RM189,000 in 2021 Q4, due mainly to expenses incurred by the investment holding company.

b) Discontinued operations

The discontinued operations recorded higher profit after taxation in 2021 Q5 in line with the increase in revenue.

(iv) PROFIT AFTER TAX ("PAT") AND PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

a) Continuing operations

PAT and profit attributable to owners of the Company are lower than the immediate preceding quarter for the reason of higher operating expenses incurred at the holding company level.

b) Discontinued operations

PAT and profit attributable to owners of the Company of the discontinued operations both increased in tandem with higher revenue recorded at Be Top and its subsidiary.

B3. PROSPECTS

i) CONTINUING OPERATIONS

MOBILE AND DIGITAL SOLUTIONS BUSINESSES

The Group's mobile and digital solutions business activities are engaged through DVSB. DVSB is a subsidiary of TAS, which now owns 80% equity interest in the former after acquiring additional 24% equity interest on 3 August 2021. TAS gained control of DVSB and started consolidating the results of DVSB with effect from 3 August 2021.

The COVID-19 pandemic has triggered the great digitalisation acceleration globally. As announced by the Government of Malaysia ("Government") recently, it has embraced the information technology ("IT") sector as a key driver for socio-economic growth through the Malaysia Digital Economy Blueprint (MyDIGITAL) launched on 19 February 2021.

A significant portion of MyDIGITAL is in sync with the Group's business plans. With the support of the public agencies, the Group intends to loop all government digital initiatives into its plan moving forward and take position as a strong advocate to implement the action plans as entailed in the MyDigital blueprint.

The Group will be relevant to national objectives by proposing innovative yet risk-managed solutions to the market, coupled with strong executive capabilities. There are people with limited digital skills who will face challenges plugging into the new digital economy, and the Group's main objective has always been to identify and help this segment of the community.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

**PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF
APPENDIX 9B) (CONT'D)**

B3. PROSPECTS (CONT'D)

i) CONTINUING OPERATIONS(CONT'D)

MOBILE AND DIGITAL SOLUTIONS BUSINESSES (CONT'D)

The Company, via DVSB, currently operates the Malaysian government SMS gateway called mySMS 15888. It owns and operates MyPay, a mobile application for secure, easy and fast check-and-pay transactions with government agencies. It also owns and operates eJamin, a digital bail payment solution used in criminal courts throughout Malaysia. As at the date of this quarterly report, eJamin lives in 161 court locations all over Malaysia. The digital bail payment solution is showing rapid growth as courts encourage the digital shift amid the ongoing COVID-19 pandemic. The Group is also looking into expanding the digital bail system for police remands and the Syariah criminal courts.

With various plans in the pipeline which will be announced at the appropriate times, the outlook of the mobile and digital solutions businesses of the Group is bright. The prospect of DVSB, and hence prospect of the Group's new business operation in the mobile and digital solutions segment is expected to augur well with positive earnings accretive potentials.

ii) DISCONTINUED OPERATIONS

FABRIC PRODUCTION

Tension from the prolonged unresolved trade war between the United States of America and China has exerted tremendous pressure on the group's overall sales. In addition, the slow recovery pace of global economy, development of China gross domestic product trend in the coming years, economic policies, coupled with higher manufacturing overheads, especially wages and utilities, are still affecting the Group's financial performance, particularly when the Group is operating in the fast-moving consumer goods segment which demand is highly dependent on trend and fashion.

In addition, the eruption and aftermath of COVID-19 pandemic has casted a darker shadow over the existing economic uncertainties in the global business environment, the effect of which is yet to be quantified, at this juncture. On 21 August 2020, the shareholders of the Company had approved the Disposal of Be Top entailing disposal of the Company's fabric production business in China.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART B:-

EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF APPENDIX 9B) (CONT'D)

B4. EXPLANATORY NOTE FOR VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee during the quarter ended 30 September 2021.

B5. TAXATION

	Individual Quarter		Cumulative Quarters	
	Current Quarter Ended 30.9.2021	Preceding Financial Year Corresponding Quarter	For Current Quarter To- Date Ended 30.9.2021	For Preceding Financial Year
	RM'000	RM'000	RM'000	RM'000
Tax on profit	332	n.a.	2,548	n.a.
In respect of:-				
Continuing operations				
Television Airtime Services Sdn. Bhd.	-	n.a	-	n.a
Dapat Vista (M) Sdn. Bhd.	-	n.a	-	n.a
Discontinued operations				
Top Textile (Suzhou) Co., Ltd.	332	n.a	2,548	n.a
Gorgeous Goldhill Sdn. Bhd.	-	n.a	-	n.a

Domestic corporate income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

The taxation of other jurisdiction is calculated at rates prevailing in the respective jurisdiction.

B6. CORPORATE PROPOSALS

i) DISPOSAL OF BE TOP

On 12 December 2018, the Company had announced on the proposed disposal of its foreign assets comprising the Company's investments in its wholly-owned subsidiary, Be Top and/or Top Textile (Suzhou) Co., Ltd., which in turn is a wholly-owned subsidiary of Be Top for cash via an open tender exercise.

On 2 May 2019, the Company announced that it had on the even date, entered into the Disposal SSA with GIL in respect of the Disposal of Be Top. On 18 June 2020, the Company and GIL entered into the Supplemental Disposal SSA to vary and amend certain arrangement, terms and conditions of the SSA.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

**PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF
APPENDIX 9B) (CONT'D)**

B6. CORPORATE PROPOSALS (CONT'D)

i) DISPOSAL OF BE TOP (CONT'D)

On 21 September 2020, the Company announced that it received the first cash payment for the sum of RM12 million from GIL. Accordingly, tranche 1 share sale for 21.5% equity interest in Be Top has been completed in accordance with the terms set out in the Disposal SSA and Supplemental Disposal SSA.

On 16 July 2021, the Company disposed a further 26.5% of the equity interest in Be Top to GIL for a total cash consideration of RM18,515,497.06 received as the second cash payment. Accordingly, tranche 2 share sale has also completed in accordance with the terms set out in the Disposal SSA and Supplemental Disposal SSA. Post completion of the tranche 2 share sale, the Company's equity interest in Be Top is reduced to 52% but nonetheless retains control over Be Top.

In addition, on 16 July 2021, the Company also announced that the Company and GIL have mutually agreed to further extend the cut-off date of the Supplemental Disposal SSA till 19 January 2022, to enable the parties to obtain/fulfil the conditions of the Disposal SSA and Supplemental Disposal SSA.

ii) DISPOSAL OF GGSB

On 28 August 2020, the Company announced that it had on even date entered into a share sale agreement with Dato' Soo for the Disposal of GGSB. The Disposal of GGSB was completed on 1 September 2020.

iii) CAPITAL REDUCTION

On 15 October 2020, the Company has lodged with the CCM the relevant documents pursuant to Section 119 of the Act, to confirm its compliance with the requirements for the Capital Reduction.

The Company completed its Capital Reduction after receiving a Notice of Confirming Reduction of Share Capital (dated 15 December 2020) issued by CCM, confirming its compliance with the requirements of the Capital Reduction pursuant to Section 119(4) of the Act.

Pursuant thereto, the Capital Reduction took effect and completed on 15 December 2020.

B7. BORROWINGS

As at 30 September 2021, the Group's borrowing, denominated in Malaysian Ringgit, is as follows:-

	Current Financial Year (<i>Fifth Quarter</i>) Ended 30.9.2021 RM'000 Unaudited	Preceding Financial Year Ended 30.6.2020 RM'000 Audited
Current Liability		
Revolving credit- i	8,000	7,750

A fixed deposit of RM8 million has been pledged to secure the bank borrowing.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

**PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF
APPENDIX 9B) (CONT'D)**

B8. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There is no off balance sheet financial instrument as at the date of this announcement.

B9. CHANGES IN MATERIAL LITIGATION

The Group does not have any litigation.

B10. PROPOSED DIVIDEND

The Board does not recommend the payment of any dividend for the quarter ended 30 September 2021.

B11. EARNINGS /(LOSS) PER SHARE

	Current Financial Year (<i>Fifth Quarter</i>) Ended 30.9.2021 RM'000 Unaudited	Preceding Financial Year Ended 30.6.2020 RM'000 Audited
a) Basic loss per share		
(i) Continuing operations		
Net loss attributable to owners of the Company	(2,389)	(898)
Weighted average number of ordinary shares ('000)	433,361	399,009
Basic loss per share (sen)	(0.55)	(0.23)
(ii) Discontinued operations		
Net profit attributable to owners of the Company	9,496	2,924
Weighted average number of ordinary shares ('000)	433,361	399,009
Basic earnings per share (sen)	2.19	0.73
b) Diluted earnings per share		
The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.		

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2021

PART B:-
EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS (PART A OF APPENDIX 9B) (CONT'D)

B12. UTILISATION OF PROCEEDS

The table below summarises the utilisation of proceeds raised from the Disposal of Be Top, being the aggregate of the bidding bond of RM3 million, the first cash payment amounting to RM12 million and second cash payment of RM18.515 million, received to-date from GIL.

PURPOSE	PROPOSED UTILISATION	ACTUAL UTILISATION	INTENDED TIMEFRAME FOR UTILISATION	DEVIATION		EXPLANATION (if the deviation is 5% or more)
				AMOUNT	%	
				RM'000		
i) TAS shares acquisition	2,000	2,000	Within 1 month	n.a.	n.a.	n.a.
ii) Future investment in the existing businesses of the Group	20,000	1,633	Within 24 months	n.a.	n.a.	n.a.
iii) Working capital of the Group	10,516	10,166	Within 24 months	n.a.	n.a.	n.a.
iv) Estimated expenses in relation to the proposals and waiver application	1,000	1,000	Within 9 months	n.a.	n.a.	n.a.