

# **PERTAMA DIGITAL BERHAD**

**198401002327 (114842-H)**

*(Incorporated In Malaysia)*

## **QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 31.3.2022 RM'000 UNAUDITED</b>	<b>AS AT 31.12.2021 RM'000 AUDITED</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	142	151
Development costs	2,435	2,397
Goodwill	4,110	4,110
	6,687	6,658
<b>CURRENT ASSETS</b>		
Trade receivables	6,463	327
Contract assets	418	2,178
Other receivables, deposits and prepayments	1,109	134
Fixed deposits with licensed banks	14,368	14,315
Cash and bank balances	2,679	7,042
	25,037	23,996
Assets classified as held for sale	168,113	157,833
<b>TOTAL ASSETS</b>	199,837	188,487
<b>TOTAL EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	48,816	48,816
Statutory reserves	18,701	17,942
Retained profit	9,153	4,837
	76,670	71,595
Reserves classified as held for sale	58,342	55,755
	135,012	127,350
Equity attributable to owners of the Company	135,012	127,350
Non-controlling interests	(5,265)	(5,073)
<b>TOTAL EQUITY</b>	129,747	122,277
<b>CURRENT LIABILITIES</b>		
Trade payables	5,531	2,096
Other payables and accruals	38,200	39,379
Bank borrowing	8,000	8,000
	51,731	49,475
Liabilities classified as held for sale	18,359	16,735
<b>TOTAL LIABILITIES</b>	70,090	66,210
<b>TOTAL EQUITY AND LIABILITIES</b>	199,837	188,487
<b>Net assets per share (RM)</b>	<b>0.31</b>	<b>0.29</b>

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

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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

	3 MONTHS		CUMULATIVE 3 MONTHS	
	CURRENT YEAR QUARTER ENDED 31.3.2022  RM'000 Unaudited	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER ENDED  RM'000	CURRENT FINANCIAL YEAR-TO-DATE ENDED 31.3.2022  RM'000 Unaudited	PRECEDING FINANCIAL YEAR YEAR-TO-DATE ENDED  RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	5,105	-	5,105	-
Cost of sales	(4,261)	-	(4,261)	-
<b>Gross profit</b>	<b>844</b>	<b>-</b>	<b>844</b>	<b>-</b>
Other operating income	1	-	1	-
Administrative expenses	(1,802)	-	(1,802)	-
Other operating expenses	(137)	-	(137)	-
	(1,094)	-	(1,094)	-
Finance cost	(87)	-	(87)	-
Loss before taxation	(1,181)	-	(1,181)	-
Taxation	(4)	-	(4)	-
Loss after taxation from continuing operations	(1,185)	-	(1,185)	-
<b>DISCONTINUED OPERATIONS</b>				
Profit after taxation from discontinued operations	6,068	-	6,068	-
Profit after taxation	4,883	-	4,883	-
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences	2,587	-	2,587	-
<b>Total comprehensive profit for the period</b>	<b>7,470</b>	<b>-</b>	<b>7,470</b>	<b>-</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the Company	5,075	-	5,075	-
Non-controlling interests	(192)	-	(192)	-
	<b>4,883</b>	<b>-</b>	<b>4,883</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	7,662	-	7,662	-
Non-controlling interests	(192)	-	(192)	-
	<b>7,470</b>	<b>-</b>	<b>7,470</b>	<b>-</b>
<b>Earnings/(loss) per share (sen) :</b>				
Basic				
Continuing operations	(0.23)	-	(0.23)	-
Discontinued operations	1.40	-	1.40	-
Diluted				
Continuing operations	(0.23)	-	(0.23)	-
Discontinued operations	1.40	-	1.40	-

**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 Company changed its financial year end from 30 June to 31 December in the previous financial period ended 31 December 2021.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CURRENT YEAR QUARTER ENDED 31.3.2022  RM'000 UNAUDITED</b>	<b>PRECEDING FINANCIAL PERIOD ENDED 31.12.2021  RM'000 AUDITED</b>
<b>OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation		
- Continuing operations	(1,181)	(27,389)
- Discontinuing operations	7,591	18,786
<b>Adjustments for :-</b>		
Amortisation of development costs	278	219
Depreciation	10	16
Dividend income	-	(3,161)
Impairment loss on goodwill	-	20,352
Interest expense	87	588
Interest income	(488)	(6,388)
Inventory written back	-	(1,088)
Loss allowance on trade receivables	-	188
Loss on re-measurement to fair value less costs to sell	1,339	5,018
Loss on disposal of subsidiary	-	862
Loss on disposal of property, plant & equipment	-	685
Property, plant and equipment written off	-	767
Share of results of joint ventures	(677)	(478)
Waiver of debts from a director	-	(64)
Operating profit before working capital changes	6,959	8,913
Changes in inventories	(1,667)	4,424
Changes in receivables	(7,297)	(1,081)
Changes in payables	2,425	3,433
Cash generated from operations	421	15,689
Interest received	90	320
Tax paid	(503)	(1,107)
Net cash generated from operating activities	8	14,902
<b>INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(5,595)
Addition of development costs	(316)	(245)
Acquisition of other investment	-	(4,942)
Acquisition of property, plant and equipment		
- continuing operations	(1)	(130)
- discontinued operations	-	(1,183)
Acquisition of short-term investments, net	(8,509)	(22,176)
Consideration received for disposal of subsidiary held for sale	-	30,515
Interest received	398	6,068
(Placement)/Upliftment of fixed deposits with tenure more than 3 months	(397)	760
Proceeds from disposal of property, plant and equipment	-	529
Proceeds from disposal of a subsidiary, net of cash and cash equivalent disposed	-	121
Proceeds from disposal of short term investment	13,244	-
Dividend income received from a joint venture	-	3,161
Net cash generated from investing activities	4,419	6,883
<b>FINANCING ACTIVITIES</b>		
Increase in pledged deposit	-	(8,000)
Drawdown of bank borrowing	-	250
Interest paid	-	(588)
Net cash used in financing activities	-	(8,338)
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,427	13,447
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	26,982	13,437
EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS	549	98
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>31,958</b>	<b>26,982</b>

**Note : ( ) Denotes cash outflow**

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

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	< ----- Non distributable ----- >			Distributable		Non-	Total
	Share capital	Statutory reserves	Reserves classified as held for sale	Retained earnings/ (Accumulated losses)	Total	controlling interests	equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance at 30 June 2020, as restated	134,816	15,933	40,420	(66,581)	124,588	3,152	127,740
Acquisition of a subsidiary	-	-	-	-	-	(7,326)	(7,326)
Share capital reduction	(86,000)	-	-	86,000	-	-	-
Loss for the financial period	-	-	-	(12,573)	(12,573)	(899)	(13,472)
Other comprehensive income for the financial period							
- Foreign currency translation differences	-	-	15,335	-	15,335	-	15,335
Total comprehensive income for the financial period	-	-	15,335	(12,573)	2,762	(899)	1,863
Transfer to statutory reserve	-	2,009	-	(2,009)	-	-	-
Balance as at 31 December 2021 <i>(Audited)</i>	<b>48,816</b>	<b>17,942</b>	<b>55,755</b>	<b>4,837</b>	<b>127,350</b>	<b>(5,073)</b>	<b>122,277</b>
Profit for the financial period	-	-	-	5,075	5,075	(192)	4,883
Other comprehensive income for the financial period							
- Foreign currency translation differences	-	-	2,587	-	2,587	-	2,587
Total comprehensive income for the financial period	-	-	2,587	5,075	7,662	(192)	7,470
Transfer to statutory reserve	-	759	-	(759)	-	-	-
Balance as at 31 March 2022 <i>(Unaudited)</i>	<b>48,816</b>	<b>18,701</b>	<b>58,342</b>	<b>9,153</b>	<b>135,012</b>	<b>(5,265)</b>	<b>129,747</b>

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 FIRST QUARTER ENDED 31 MARCH 2022**

**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 interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2021 and the accompanying explanatory notes attached to the audited financial statements.

The 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 period ended 31 December 2021.

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

**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 period ended 31 December 2021.

In the current reporting quarter, 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 January 2022. 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>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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

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

**A3. AUDITORS' REPORT**

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

**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.

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

A5. UNUSUAL ITEMS

**DISPOSAL OF EQUITY INTEREST IN SUBSIDIARY**

During the current financial year to-date, the disposal of equity interest in the following subsidiary is still in progress:-

**Disposal of The Entire Equity Interest in Be Top Group Limited**

- i) During the previous financial period ended 31 December 2021, the Company received the first cash payment for the sum of RM12 million from Gifted Investments Limited (“GIL”) on 21 September 2020, for the tranche 1 share sale of 21.5% equity interest in Be Top Group Limited (“Be Top”) in respect of the 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”). Accordingly, the tranche 1 Disposal of Be Top was completed in accordance with the share sale agreement dated 2 May 2019 (“Disposal SSA”) and supplemental share sale agreement dated 18 June 2020 (“Supplemental Disposal SSA”). The key salient term of the Supplemental Disposal SSA is that the disposal consideration is to be completed in three (3) tranches.

On 16 July 2021, the Company received the second cash payment amounting to RM18,515,497.06 for the tranche 2 share sale of 26.5% equity interest in Be Top in relation to the Disposal of Be Top. Accordingly, the tranche 2 Disposal of Be Top was completed in accordance with the Disposal SSA and Supplemental Disposal SSA.

As at the report date, the Company has yet to fulfill the condition stipulated in the Supplemental Disposal SSA. Accordingly, the disposal proceeds for tranche 1 and tranche 2 received from GIL were recognised as other payables and accruals as at the reporting date.

The assets, liabilities and reserves arising from the foreign operations have been presented in the 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 statement of total comprehensive income as “Profit/(Loss) for the financial year/period from discontinued operations”.

On 19 January 2022, GIL and the Company has mutually agreed to further extend the cut-off date of the Supplemental Disposal SSA till 19 July 2022, to enable the parties to fulfill the conditions of the Disposal SSA and Supplemental Disposal SSA.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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

**A6. CHANGES IN ESTIMATES**

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

**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 current reporting quarter ended 31 March 2022.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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 and drawn up its accounts for 18 months in the previous 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>		31.3.2022 RM'000	31.3.2021 RM'000	<i>(Cumulative 3 Months)</i>	
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000			31.3.2022 RM'000	31.3.2021 RM'000
Revenue	5,105	-	19,028	-	(19,028)	-	5,105	-
<b>Results</b>								
Segment profit/(loss) after tax	(1,185)	-	6,068	-	(6,068)	-	(1,185)	-
<b>Segmental profit/(loss) include the following :-</b>								
Amortisation of development costs	278	-	-	-	-	-	278	-
Depreciation	10	-	-	-	-	-	10	-
Interest income on :								
Financial assets measured at amortised costs	(57)	-	(33)	-	33	-	(57)	-
Financial assets at fair value through profit or loss loss mandatorily	-	-	(398)	-	398	-	-	-
Share of results of joint ventures	-	-	(677)	-	677	-	-	-
Loss on re-measurement to fair value less costs to sell	-	-	1,339	-	(1,339)	-	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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>			
	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
<b>Assets</b>						
Segment assets	31,724	41,557	168,113	134,558	199,837	176,115
Consolidated total assets					<b>199,837</b>	<b>176,115</b>
<b>Liabilities</b>						
Segment liabilities	51,731	11,246	16,351	6,442	68,082	17,688
Current tax liabilities	-	-	2,008	1,568	2,008	1,568
					<b>70,090</b>	<b>19,256</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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**

During the previous financial period ended 31 December 2021, the Company completed its disposal of 48% equity interest in Be Top as disclosed in note A5 above. As at the reporting date, the Company has yet to fulfill the condition stipulated in the Supplemental Disposal SSA. Accordingly, the disposal proceeds for tranche 1 and tranche 2 received from GIL were recognised as other payables and accruals as at the reporting date.

**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**

<b>CAPITAL COMMITMENT AS AT 31 MARCH / 31 DECEMBER</b>	<b>2022</b> RM'000	<b>2021</b> RM'000
<i>Continuing operations</i>		
Development costs	-	168
	=====	=====

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

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

**A15. FOREIGN CURRENCY TRANSLATION**

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

	<b>For Current Year Quarter Ended 31.3.2022</b>	<b>For Preceding Year Corresponding Quarter</b>
Condensed consolidated statement of comprehensive income		
Based on average rate for the quarter RMB1.00 to RM	0.6622	n.a.
Condensed consolidated statement of financial position		
Based on closing rate for the quarter RMB1.00 to RM	0.6630	n.a.

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

A16. SIGNIFICANT RELATED PARTY TRANSACTIONS

(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 12 December 2018, the Company announced the proposed disposal of its foreign assets for cash via an open tender exercise. The foreign assets of the Company comprise investments in its wholly-owned subsidiary, namely Be Top and the wholly-owned subsidiary of Be Top, namely Top Textile (Suzhou) Co., Ltd. ("**Top Textile**"). The foreign assets represent the production and sale of fabric products segment of the Group.

On 2 May 2019, the Company entered into a Disposal SSA with GIL for Disposal of Be Top.

The disposal consideration is to be satisfied by GIL in the following manner :

	RM'000
i) Assumption of amount owing by the Company to Be Top and Top Textile *	36,485
ii) Cash #	33,515
	-----
	70,000
	=====

*\*Amount owing to Be Top and Top Textile (collectively known as "**subsidiaries**") to be assumed by GIL shall subject to further adjustments based on the amounts owing to these subsidiaries on the completion date, in accordance with the Supplemental Disposal SSA entered into by the parties on 18 June 2020.*

*#This includes bidding bond of RM3 million received by the Company from GIL in January 2019.*

On 18 June 2020, the Company entered into a Supplemental Disposal SSA with GIL to vary and amend certain arrangement, terms and conditions of the Disposal SSA. The key salient terms of the Supplemental Disposal SSA is that the disposal consideration is to be completed in three (3) tranches.

On 21 September 2020, the Company received the first cash payment for the sum of RM12 million from GIL for the tranche 1 share sale of 21.5% equity interest in Be Top in respect of the Disposal of Be Top.

On 16 July 2021, the Company received the second cash payment amounting to RM18.515 million for the tranche 2 share sale of 26.5% equity interest in Be Top in relation to the Disposal of Be Top.

To-date, the entire cash consideration of approximately RM33.515 million has been fully paid by GIL.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022  
PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**

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

As at reporting date, the Company has yet to fulfil the condition stipulated in the Supplemental Disposal SSA. Accordingly, the disposal proceeds for tranche 1 and tranche 2 received from GIL were recognised as other payables and accruals as at reporting date.

On 19 January 2022, GIL and the Company have mutually agreed to further extend the cut-off date of the Supplemental Disposal SSA till 19 July 2022, to enable the parties to fulfill the conditions of the Disposal SSA and Supplemental SSA.

As at the end of the current reporting quarter, the assets, liabilities and reserves arising from the foreign operations 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".

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

	<b>31.3.2022</b>	<b>31.12.2021</b>
<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	55,433	55,015
Investment property	4,422	4,370
Land use rights	6,932	6,850
Investment in a joint venture	9,965	9,178
Other investment	5,171	5,111
Deferred tax assets	3,442	3,402
	<hr/>	<hr/>
	85,365	83,926
Loss on re-measurement of assets classified as held for sale	(76,752)	(75,413)
	<hr/>	<hr/>
	8,613	8,513
	<hr/>	<hr/>
<b>CURRENT ASSETS</b>		
Inventories	7,040	5,308
Trade receivables	21,388	21,529
Other receivables and deposits	6,025	3,633
Short-term investments	101,340	104,832
Fixed deposits with licensed banks	796	393
Cash and bank balances	22,911	13,625
	<hr/>	<hr/>
	159, 500	149,320
	<hr/>	<hr/>
<b>TOTAL</b>	<b>168,113</b>	<b>157,833</b>
	<hr/>	<hr/>
<b>RESERVES CLASSIFIED AS HELD FOR SALE</b>		
Foreign exchange translation reserve	58,342	55,755
	<hr/>	<hr/>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022  
PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**

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

**LIABILITIES CLASSIFIED AS HELD FOR SALE**

Trade payables	916	1,314
Other payables and accruals	15,435	14,411
Income tax payable	2,008	1,010
	<hr/>	<hr/>
Liabilities classified as held for sale	18,359	16,735
	<hr/>	<hr/>



**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 PERIOD AND YEAR-TO-DATE PERFORMANCE IN THE  
CURRENT AND PRECEDING FINANCIAL PERIOD**

**RESULTS BEFORE AND AFTER TAXATION**

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 and drawn up its account for a period of 18 months ended 31 December 2021. As a result, there is no corresponding quarter in the preceding financial period.

In the current reporting quarter ("**2022 Q1**"), the Group's mobile and digital solutions segment registered a revenue of approximately RM5.05 million derived from the provision of mobile gateway and payment solutions services. The investment holding segment generated a revenue of approximately RM56,000, being interest income derived from deposits placed with approved financial institutions in Malaysia.

The mobile and digital solutions businesses registered a loss before taxation of approximately RM365,000 in 2022 Q1. The continuing operations registered a loss before taxation of approximately RM1.18 million in 2022 Q1, which is due primarily to operating expenses incurred by the holding company.

**REVENUE**

In 2022 Q1, the Group's continuing operations registered a revenue of approximately RM5.11 million and loss after taxation of approximately RM1.19 million. The mobile and digital solutions businesses registered a loss after taxation of approximately RM369,000 in 2022 Q1. The loss after taxation of the Group's continuing operations in 2022 Q1 is primarily attributable to operating expenses incurred at the investment holding segment.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

**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 31.3.2022	Immediate Preceding Quarter Ended 31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
<b>CONTINUING OPERATIONS</b>				
<b>INVESTMENT HOLDING AND MOBILE AND DIGITAL SOLUTIONS</b>				
Revenue	5,105	3,728	1,377	36.94
Gross profit	844	284	560	197.18
Profit/(loss) from operations	(1,094)	(24,975)	23,881	> 100
Profit/(loss) before interest and tax	(1,094)	(24,975)	23,881	> 100
Profit/(loss) before tax	(1,181)	(25,067)	23,886	> 100
Profit/(loss) after tax	(1,185)	(25,083)	23,898	> 100
Profit/(loss) after tax attributable to				
Owners of the Company	(993)	(23,494)	22,501	> 100
Non-controlling interest	(192)	(1,589)	1,397	> 100

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**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 31.3.2022	Immediate Preceding Quarter Ended 31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
<b>DISCONTINUED OPERATIONS</b>				
<b>PRODUCTION AND SALE OF FABRICS</b>				
Revenue	19,028	23,224	(4,196)	(18.07)
Gross profit	7,704	4,307	3,397	78.87
Profit from operations	9,277	8,619	658	7.63
Profit before interest and tax	7,591	4,549	3,042	66.87
Profit before tax	7,591	4,549	3,042	66.87
Profit/(Loss) after tax	6,068	(667)	6,735	(1,009.75)
Profit/(loss) after tax attributable to				
Owners of the Company	6,068	(667)	6,735	(1,009.75)
Non-controlling interest	-	-	-	n.a.

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

**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 RM5.11 million in 2022 Q1 compared to the immediate preceding quarter ("**2021 Q6**") of approximately RM3.73 million is due to higher volume of the push SMS segment.

**b) Discontinued operations**

The revenue from the discontinued operations decreased by RM4.20 million 2022 Q1 in line with the historical trend of decreased in sales after the conventional peak season at year end ahead of Christmas and Chinese New Year. The major revenue contributor in the discontinued operations is production and sale of fabrics.

**(ii) RESULTS FROM OPERATIONS**

**a) Continuing operations**

Despite higher revenue being generated in 2022 Q1, the continuing operations recorded loss from operations due to investment holding segment's operating expenses.

**b) Discontinued operations**

This segment recorded higher profit from operations due to lower administrative expenses incurred in the current reporting quarter.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**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**

In the current reporting quarter, the continuing operations registered a lower loss before taxation compared to the immediate preceding quarter of 2021 Q6 which was due mainly to impairment loss on goodwill and some one-off corporate exercises expenditures incurred in 2021 Q6.

**b) Discontinued operations**

The discontinued operations recorded higher profit before taxation in 2022 Q1 in line with the reduction in administrative expenses.

**(iv) PROFIT / (LOSS) AFTER TAX (“PAT”/“LAT”) AND PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**

**a) Continuing operations**

LAT in the current reporting quarter is lower than the immediate preceding quarter for the reason of the absence of one-off expenses that were incurred in the comparative quarter.

**b) Discontinued operations**

The PAT and profit attributable to owners of the Company in respect of the discontinued operations is higher due to lower administrative expenses incurred in the current reporting quarter.

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

**B3. PROSPECTS**

**i) CONTINUING OPERATIONS**

**MOBILE AND DIGITAL SOLUTIONS BUSINESSES**

The Group's mobile and digital solutions business activities are engaged through DVSB, which is an 80%-owned subsidiary by TAS.

Mobile technology is growing and evolving at an overwhelming pace. The rapid development of mobile and digital communications in Malaysia has led to high population coverage and penetration rates. The Government of Malaysia ("**Government**") has embraced the information technology ("**IT**") sector as a key driver for socio-economic growth. As such, the Government has identified several plans and programmes to drive further the sector and pave the way for the adoption and integration of IT solutions by enterprises across the nation. The IT sector is expected to gain greater momentum, driven by the convergence of industries and commercial activities due to digitalization.

During the times when there was imposition of various phases of Movement Control Orders ("**MCO**") by the Government in response to manage the spreading of COVID-19 has augured well for the reception by public and the eventual growth of epayments. There had been increased subscriptions and transactions volume growth from individuals and business users who needed desperately the convenience of online payment while bank operations were cut down by a significant scale during MCO. Rakyat were reprimanded to remain indoors to comply with the MCO which inevitably caused disruptions to daily life.

In a media release issued on 1 October 2020, the Managing Director of DVSB, Amanda, cited that based on the week-on-week average growth rate of 15.7% in the eJamin bail collection, DVSB is upbeat on the prospect of capturing an estimated 80% of the RM2 billion to RM3 billion bail payment volume over the next year (2023) and to record an estimated RM1.6 billion bail collections per annum, calculated based on the estimated annual volume of RM2 billion bail payment. In 2021 alone, a total of RM121.50 million in bail collections were collected from January to December 2021.

The COVID-19 pandemic has triggered the great digitalisation acceleration globally. 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.

**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 177 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 FIRST QUARTER ENDED 31 MARCH 2022

**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 31 March 2022.

**B5. TAXATION**

	Individual Quarter		Cumulative Quarters	
	Current	Preceding	For	For
	Quarter Ended	Financial Year	Current	Preceding
	31.3.2022	Corresponding	Financial	Financial
	RM'000	RM'000	Year To-Date	Year
			Ended	
			31.3.2022	
	RM'000	RM'000	RM'000	RM'000
Tax on profit	1,527	n.a.	1,527	n.a.
In respect of:-				
<b>Continuing operations</b>				
Television Airtime Services Sdn. Bhd.	-	n.a	-	n.a
Dapat Vista (M) Sdn. Bhd.	4	n.a	4	n.a
<b>Discontinued operations</b>				
Top Textile (Suzhou) Co., Ltd.	1,523	n.a	1,523	n.a

Domestic corporate income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated chargeable profit for the financial year/period.

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, 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 Disposal SSA.



## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

### 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 for the tranche 1 share sale of 21.5% equity interest in Be Top in respect of the Disposal of Be Top. Accordingly, the tranche 1 Disposal of Be Top was completed in accordance with the Disposal SSA and Supplemental Disposal SSA.

On 16 July 2021, the Company further announced that it received another sum of the second cash payment amounting to RM18,515,497.06 for the tranche 2 share sale of 26.5% equity interest in Be Top as the advance second cash payment in relation to the Disposal of Be Top. Accordingly, the tranche 2 Disposal of Be Top was completed in accordance with the Disposal SSA and Supplemental Disposal SSA.

On 19 January 2022, it was announced that the Company and GIL have mutually agreed to further extend the cut-off date of the Supplemental Disposal SSA till 19 July 2022, to enable the parties to obtain/fulfil the conditions of the Disposal SSA and Supplemental Disposal SSA.

#### B7. BORROWINGS

As at 31 March 2022, the Group's borrowing, denominated in Malaysian Ringgit, is as follows:-

	<b>Current Financial Period (First Quarter) Ended 31.3.2022 RM'000 Unaudited</b>	<b>Preceding Financial Period Ended 31.12.2021 RM'000 Audited</b>
<b>Current Liability</b>		
Revolving credit- i	8,000	8,000

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

#### 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 31 March 2022.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

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

B11. EARNINGS /(LOSS) PER SHARE

	Current Financial Year ( <i>First Quarter</i> ) Ended 31.3.2022 RM'000 Unaudited	Preceding Financial Period Ended 31.12.2021 RM'000 Audited
<b>a) Basic earnings/(loss) per share</b>		
<b>(i) Continuing operations</b>		
Net loss attributable to owners of the Company	(993)	(26,510)
Weighted average number of ordinary shares ('000)	433,361	433,361
Basic loss per share (sen)	(0.23)	(6.12)
<b>(ii) Discontinued operations</b>		
Net profit attributable to owners of the Company	6,068	13,937
Weighted average number of ordinary shares ('000)	433,361	433,361
Basic earnings per share (sen)	1.40	3.22
<b>b) Diluted earnings per share</b>		

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 FIRST QUARTER ENDED 31 MARCH 2022

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	10,516	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.