

# **PERTAMA DIGITAL BERHAD**

198401002327 (114842-H)

*(Incorporated In Malaysia)*

## **QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

### **CONTENTS**

1. Unaudited Condensed Consolidated Statement of Financial Position
2. Unaudited Condensed Statement of Profit and Loss and Other Comprehensive Income
3. Unaudited Condensed Consolidated Statement of Changes in Equity
4. Unaudited Condensed Consolidated Statement of Cash Flows
5. Explanatory Notes
  - Part A – Explanatory Notes Pursuant to MFRS 134
  - Part B – Explanatory Notes Pursuant to the Main Market Listing Requirements

**PERTAMA DIGITAL BERHAD**  
**CO. NO. 198401002327 (114842-H)**

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT 30.6.2023 RM'000 UNAUDITED</b>	<b>AS AT 31.12.2022 RM'000 AUDITED</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	190	152
Development costs	5,447	5,322
	5,637	5,474
<b>CURRENT ASSETS</b>		
Trade receivables	290	376
Contract assets	-	22
Other receivables, deposits and prepayments	13,223	10,872
Fixed deposits with licensed banks	8,071	8,663
Cash and bank balances	158,226	133,611
Tax recoverable	17	12
	179,827	153,556
<b>TOTAL ASSETS</b>	185,464	159,030
<b>TOTAL EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	59,092	48,816
Retained profit	(40,208)	(33,934)
	18,884	14,882
Equity attributable to owners of the Company	18,884	14,882
Non-controlling interests	180	1,059
<b>TOTAL EQUITY</b>	19,064	15,941
<b>CURRENT LIABILITIES</b>		
Trade payables	318	475
Other payables and accruals	158,082	134,614
Bank borrowing	8,000	8,000
<b>TOTAL LIABILITIES</b>	166,400	143,089
<b>TOTAL EQUITY AND LIABILITIES</b>	185,464	159,030
<b>Net assets per share (RM)</b>	<b>0.04</b>	<b>0.03</b>

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

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

	3 MONTHS		CUMULATIVE 6 MONTHS	
	CURRENT YEAR QUARTER ENDED 30.6.2023 RM'000 UNAUDITED	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER ENDED 30.6.2022 RM'000 AUDITED	CURRENT FINANCIAL YEAR-TO-DATE ENDED 30.6.2023 RM'000 UNAUDITED	PRECEDING FINANCIAL YEAR YEAR-TO-DATE ENDED 30.6.2022 RM'000 AUDITED
<b>CONTINUING OPERATIONS</b>				
Revenue	1,654	1,206	3,003	6,311
Cost of sales	(718)	(330)	(1,215)	(4,591)
<b>Gross profit</b>	<b>936</b>	<b>876</b>	<b>1,788</b>	<b>1,720</b>
Other operating income	-	1	1	2
Administrative expenses	(5,798)	(2,155)	(8,653)	(3,957)
Other operating expenses	(32)	(11)	(88)	(148)
	(4,894)	(1,289)	(6,952)	(2,383)
Finance cost	(106)	(92)	(201)	(179)
Profit/ (Loss) before taxation	(5,000)	(1,381)	(7,153)	(2,562)
Taxation	-	(2)	-	(6)
Profit/ (Loss) after taxation from continuing operations	(5,000)	(1,383)	(7,153)	(2,568)
<b>DISCONTINUED OPERATIONS</b>				
Profit/ (Loss) after taxation from discontinued operations	-	1,237	-	7,305
Profit/ (Loss) after taxation	(5,000)	(146)	(7,153)	4,737
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences	-	(1,526)	-	1,061
<b>Total comprehensive profit for the period</b>	<b>(5,000)</b>	<b>(1,672)</b>	<b>(7,153)</b>	<b>5,798</b>
<b>Profit/ (Loss) attributable to:</b>				
Owners of the Company	(4,503)	(24)	(6,274)	5,051
Non-controlling interests	(497)	(122)	(879)	(314)
	<b>(5,000)</b>	<b>(146)</b>	<b>(7,153)</b>	<b>4,737</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	(4,503)	(1,550)	(6,274)	6,112
Non-controlling interests	(497)	(122)	(879)	(314)
	<b>(5,000)</b>	<b>(1,672)</b>	<b>(7,153)</b>	<b>5,798</b>
<b>Earnings/ (Loss) per share (sen) :</b>				
<b>Basic</b>				
Continuing operations	(1.03)	(0.29)	(1.44)	(0.52)
Discontinued operations	-	0.29	-	1.69
<b>Diluted</b>				
Continuing operations	(1.03)	(0.29)	(1.44)	(0.52)
Discontinued operations	-	0.29	-	1.69

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

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Non distributable  Share capital RM '000	Distributable Retained earnings/ (Accumulated losses) RM '000	Total RM '000	Non- controlling interests RM '000	Total equity RM '000
Balance as at 31 December 2022 <i>(Audited)</i>	48,816	(33,934)	14,882	1,059	15,941
Profit/ (Loss) for the financial period	-	(6,274)	(6,274)	(879)	(7,153)
Issuance of new shares	10276	-	10,276	-	10,276
Total comprehensive income for the financial period	-	(6,274)	(6,274)	(879)	(7,153)
Balance as at 30 June 2023 <i>(Unaudited)</i>	59,092	(40,208)	18,884	180	19,064

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR QUARTER ENDED 30.6.2023 RM'000 UNAUDITED	PRECEDING FINANCIAL PERIOD ENDED 31.12.2022 RM'000 AUDITED
<b>OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation		
- Continuing operations	(7,153)	(9,905)
- Discontinuing operations	-	(25,155)
<b>Adjustments for :-</b>		
Amortisation of development costs	256	416
Depreciation	26	44
Dividend income	-	(321)
Negative goodwill	-	(515)
Interest expense	201	373
Interest income	(54)	(964)
Inventory written back	-	917
Bad debts written off	-	3,416
Loss on re-measurement to fair value less costs to sell	-	40,941
Loss on disposal of subsidiary	-	4,572
Property, plant and equipment written off	-	659
Share of results of joint ventures	-	(979)
Realised (gain) / loss on foreign exchange	(7)	(3,159)
Operating (loss) / profit before working capital changes	(6,731)	10,340
Changes in inventories	-	(1,420)
Changes in receivables	(2,242)	2,769
Changes in payables	2,408	(3,185)
Cash (used in) / generated from operations	(6,565)	8,504
Interest received	54	964
Tax paid	(5)	(1,943)
Net cash (used in) / generated from operating activities	(6,517)	7,525
<b>INVESTING ACTIVITIES</b>		
Addition of development costs	(381)	(3,341)
Acquisition of property, plant and equipment	(64)	(45)
Acquisition of short-term investments, net	-	(8,462)
Uplift of fixed deposits, net	-	572
Net outflow from disposal of a subsidiary	-	(20,589)
Dividend income received from a joint venture	-	321
Net cash (used in) / generated from investing activities	(445)	(31,544)
<b>FINANCING ACTIVITIES</b>		
Proceed from issued of share capital	10,276	0
Increase in pledged deposit	-	(30)
Interest paid	(201)	(373)
Net cash generated from / (used in) financing activities	10,076	(403)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,113	(24,422)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,560	26,982
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>5,673</b>	<b>2,560</b>
Represented by:		
Fixed deposits with licensed banks	8,071	8,663
Cash and bank balances	158,226	136,565
	166,297	145,228
<b>Less:</b>		
Pledged fixed deposit	(8,030)	(8,030)
Restricted Deposits	(152,594)	(134,638)
	<b>5,673</b>	<b>2,560</b>

Note : ( ) Denotes cash outflow

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 SECOND QUARTER ENDED 30 JUNE 2023

#### 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 2022 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 2022.

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 2022.

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 2023. 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 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
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**

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

**A5. UNUSUAL ITEMS**

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size, or incidence in respect of the financial period-to-date.

**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 30 June 2023.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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.

	Investment Holding, Mobile, and Digital Solutions Businesses <i>Continuing</i>		Fabric Production <i>Discontinued</i>		Adjustments and Elimination		Per Consolidated Financial Statements	
	<i>(Cumulative 6 Months)</i>		<i>(Cumulative 6 Months)</i>		<i>(Cumulative 6 Months)</i>		<i>(Cumulative 6 Months)</i>	
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
<b>Revenue</b>	3,003	6,311	-	19,028	-	(19,028)	3,003	6,311
<b>Results</b>								
Segment profit/ (loss) after tax	(7,153)	(2,568)	-	7,305	-	(7,305)	(7,153)	(2,568)
<b>Segmental profit/(loss) include the following :-</b>								
Amortisation of development costs	256	275	-	-	-	-	256	275
Depreciation	26	20	-	-	-	-	26	20
<b>Interest income on :</b>								
Financial assets measured at amortised costs	(215)	(114)	-	(49)	-	49	(215)	(114)
Financial assets at fair value through profit or loss loss mandatorily	-	-	-	(674)	-	674	-	-
Share of results of joint ventures	-	-	-	(676)	-	676	-	-
Loss on re-measurement to fair value less costs to sell	-	-	-	1,376	-	(1,376)	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

A9. SEGMENTAL INFORMATION (CONT'D)

	Investment Holding, Mobile, and Digital Solutions Businesses		Fabric Production *		Group	
	<i>Continuing</i>		<i>Discontinued</i>			
	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
<b>Assets</b>						
Segment assets	185,464	30,500	-	167,029	185,464	197,529
Consolidated total assets					<b>185,464</b>	<b>197,529</b>
<b>Liabilities</b>						
Segment liabilities	166,400	51,890	-	17,565	166,400	69,455
					<b>166,400</b>	<b>69,455</b>

\* The subsidiary group under fabric production segment was disposed on 10.8.2022 ("Disposal Completion Date"). Effective from the Disposal Completion Date, the Group ceased to consolidate financial positions of the disposed subsidiary group.

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

There were no changes in the composition of the Group during the financial period under review.

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

There were no capital commitments during the financial period under review.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

### 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:-

	For Current Year Quarter Ended 30.6.2023	For Preceding Year Corresponding Quarter 30.6.2022
Condensed consolidated statement of comprehensive income		
Based on average rate for the quarter RMB1.00 to RM	n.a.	0.6606
Condensed consolidated statement of financial position		
Based on closing rate for the quarter RMB1.00 to RM	n.a.	0.6585

#### 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 related party transaction during the current reporting quarter.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 (“YTD”) PERFORMANCE IN THE CURRENT AND PRECEDING FINANCIAL PERIOD**

The continuing operations of the Group consist of mobile and digital solutions businesses operated through Television Airtime Services Sdn. Bhd. (“**TAS**”), a 51%-owned subsidiary of the Company and its 80%-owned subsidiary, Dapat Vista (M) Sdn. Bhd. (“**DVSB**”), and investment holding activities under the Company.

**Performance of the current year quarter and corresponding quarter in the preceding financial period and year-to-date (“YTD”) performance in the current and preceding financial period.**

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

	Current Quarter Ended 30.6.2023	Preceding Year Corresponding Quarter Ended 30.6.2022	Changes		Current Financial Year-To-Date Ended 30.6.2023	Preceding Financial Year Year-To-Date Ended 30.6.2022	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Continuing Operations</b>								
<b>Investment Holding, Mobile, and Digital Solutions Business</b>								
Revenue	1,654	1,206	448	37.15	3,003	6,311	(3,308)	(52.42)
Gross profit	936	876	60	6.85	1,788	1,720	68	3.95
Profit/ (Loss) from operations	(4,894)	(1,289)	(3,605)	> (100)	(6,952)	(2,383)	(4,569)	> (100)
Profit/ (Loss) before interest and tax	(4,894)	(1,289)	(3,605)	> (100)	(6,952)	(2,383)	(4,569)	> (100)
Profit/ (Loss) before tax	(5,000)	(1,381)	(3,619)	> (100)	(7,153)	(2,562)	(4,591)	> (100)
Profit/ (Loss) after tax	(5,000)	(1,383)	(3,617)	> (100)	(7,153)	(2,568)	(4,585)	> (100)
Profit/ (Loss) after tax attributable to Owners of the Company	(4,503)	(1,261)	(3,242)	> (100)	(6,274)	(2,254)	(4,020)	> (100)
Non-controlling interests	(497)	(122)	(375)	> (100)	(879)	(314)	(565)	> (100)
<b>Discontinued Operations</b>								
<b>Fabric Production</b>								
Revenue	-	14,920	(14,920)	(100)	-	33,948	(33,948)	(100)
Gross profit	-	3,873	(3,873)	(100)	-	11,577	(11,577)	(100)
Profit/ (Loss) from operations	-	2,300	(2,300)	(100)	-	11,577	(11,577)	(100)
Profit/ (Loss) before interest and tax	-	3,072	(3,072)	(100)	-	10,663	(10,663)	(100)
Profit/ (Loss) before tax	-	3,072	(3,072)	(100)	-	10,663	(10,663)	(100)
Profit/ (Loss) after tax	-	1,237	(1,237)	(100)	-	7,305	(7,305)	(100)
Profit/ (Loss) after tax attributable to Owners of the Company	-	1,237	(1,237)	(100)	-	7,305	(7,305)	(100)
Non-controlling interests	-	-	-	n.a.	-	-	-	n.a.

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

**B1. REVIEW OF PERFORMANCE FOR THE CURRENT YEAR QUARTER AND CORRESPONDING QUARTER IN THE PRECEDING FINANCIAL PERIOD AND YEAR-TO-DATE ("YTD") PERFORMANCE IN THE CURRENT AND PRECEDING FINANCIAL PERIOD (CONT'D)**

**a) Continuing operations**

For the current quarter ended 30 June 2023, the Group's investment holding, mobile, and digital solutions segment recorded a higher revenue of RM1.65 million, an increase of 37.15% compared to 30 June 2022 ("YoY"). The higher revenue was mainly due to higher commission earned from eJamin bail collection, a digital bail payment solution used in criminal courts throughout Malaysia. However, the Group recorded a Loss Before Tax ("LBT") of RM5.00 million (-262.06% YoY). The Group's higher LBT was mainly due to higher operating expenses.

For the 6 months period ended 30 June 2023, the Group's investment holding, mobile, and digital solutions segment recorded a lower revenue of RM3.00 million, a decrease of 52.42% compared to Preceding YTD ended 30 June 2022 ("YoY"). This mainly due to the mySMS services (mySMS 15888) supporting My Sejahtera functions for the Ministry of Health ("MOH") ended at the end of 2022, aligning with Malaysia's transition into the COVID-19 endemic phase. The Group also recorded a Loss Before Tax ("LBT") of RM7.15 million (-179.20% YoY). Similarly, The Group's higher LBT was mainly due to higher operating expenses.

**b) Discontinued operations**

There were no revenue and results from operations reported in the current quarter under review as the fabric production and sale segment operated through Be Top was disposed on 10 August 2022.

**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 30.6.2023	Immediate Preceding Quarter Ended 31.3.2023	Changes	
	RM'000	RM'000	RM'000	%
<b>Continuing Operations</b>				
<b>Investment Holding, Mobile, and Digital Solutions Business</b>				
Revenue	1,654	1,349	305	22.61
Gross profit	936	852	84	9.86
Profit/ (Loss) from operations	(4,894)	(2,058)	(2,836)	> (100)
Profit/ (Loss) before interest and tax	(4,894)	(2,058)	(2,836)	> (100)
Profit/ (Loss) before tax	(5,000)	(2,153)	(2,847)	> (100)
Profit/ (Loss) after tax	(5,000)	(2,153)	(2,847)	> (100)
Profit/ (Loss) after tax attributable to				
Owners of the Company	(4,503)	(1,771)	(2,732)	> (100)
Non-controlling interests	(497)	(382)	(115)	(30.10)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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	Immediate	Changes	
	Quarter Ended 30.6.2023	Preceding Quarter Ended 31.3.2023	RM'000	%
<b>Discontinued Operations</b>				
<b>Fabric Production</b>				
Revenue	-	-	-	n.a.
Gross profit	-	-	-	n.a.
Profit/ (Loss) from operations	-	-	-	n.a.
Profit/ (Loss) before interest and tax	-	-	-	n.a.
Profit/ (Loss) before tax	-	-	-	n.a.
Profit/ (Loss) after tax	-	-	-	n.a.
Profit/ (Loss) after tax attributable to				
Owners of the Company	-	-	-	n.a.
Non-controlling interest	-	-	-	n.a.

\* The subsidiary group under fabric production segment was disposed on 10.8.2022 ("Disposal Completion Date"). Effective from the Disposal Completion Date, the Group ceased to consolidate financial positions of the disposed subsidiary group.

**a) Continuing operations**

The Group recorded a higher revenue of RM1.65 million in the current quarter under review, an increase of 22.61% compared to the immediate preceding quarter ended 31 March 2023 ("QoQ") and LBT of RM5.00 million (-132.23% QoQ). The higher revenue was mainly due to higher commission earned from eJamin bail collection, a digital bail payment solution used in criminal courts throughout Malaysia. The Group's higher LBT was mainly due to higher operating expenses.

**b) Discontinued operations**

There were no revenue and results from operations reported in the current quarter under review as the fabric production and sale segment operated through Be Top was disposed on 10 August 2022.

### B3. PROSPECTS

#### i) Continuing operations

##### **Investment Holding, Mobile, and Digital Solutions Business**

The Group's subsidiary, DVSB, which is 80% owned by TAS, spearheads our mobile and digital solutions operations. As mobile technology advances at a staggering rate, Malaysia has witnessed significant development in mobile and digital communications. The high population coverage and penetration rates reflect this growth.

The Government of Malaysia acknowledges the IT sector as a crucial contributor to socio-economic growth. Consequently, they have unveiled various plans and programs to stimulate the sector and facilitate the integration of IT solutions across all enterprises. The digitalization of industries and commercial activities is anticipated to provide further impetus to the IT sector.

The COVID-19 pandemic has accelerated digitalisation globally. In response, the Malaysian Government launched the Malaysia Digital Economy Blueprint (MyDIGITAL) on 19 February 2021, which outlines a three-phase plan. Phase 1 (2021-2022) focused on solidifying Malaysia's digital adoption foundation. Phase 2 (2023-2025) prioritises inclusive digital transformation, while Phase 3 (2026-2030) envisions Malaysia as a regional leader in digital content and cybersecurity.

Many of MyDIGITAL's objectives align with the Group's business plans. Leveraging support from public agencies, the Group plans to incorporate all government digital initiatives into its strategies and actively participate in executing the MyDigital blueprint.

The Group is committed to remaining relevant to national goals by proposing innovative, risk-managed solutions, backed by robust executive capabilities. Recognising the challenges faced by those with limited digital skills in adapting to the new digital economy, the Group's key goal is to identify and assist this demographic.

The Company, through DVSB, is currently implementing the 'coin conversion project' known as Kocek. This initiative involves placing kiosks at selected commercial areas where the general public, including retailers and consumers, can sell their Malaysian syillings (coins) in exchange for money. The funds will be credited to their respective bank accounts using the Company's mobile application called 'MyPay'. Alternatively, individuals can also purchase coins from these kiosks. The Company will generate transaction fees based on the total value of coins bought or sold through the kiosks by the general public.

The purpose of Kocek is to provide a convenient solution for individuals to manage their excess or unused coins by selling them to the Company's kiosks. It also offers easy access to coins for those who need them. The project aims to establish a sustainable ecosystem for the re-circulation of used coins, as they hold monetary value and are commonly used in daily cash transactions. As a result, there is expected to be a positive demand for these coin conversion services.

Additionally, the Company currently operates several other services. These include the Malaysian government SMS gateway known as mySMS 15888, MyPay (a mobile application facilitating secure and efficient check-and-pay transactions with government agencies), and eJamin (a digital bail payment solution used in Malaysian criminal courts).

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

**B3. PROSPECTS (CONT'D)**

**ii) Continuing operations (Cont'd)**

**Investment Holding, Mobile, and Digital Solutions Business (Cont'd)**

With further plans in development, which will be announced at the appropriate time, the mobile and digital solutions businesses of the Group have a promising outlook. DVSB's potential, along with the Group's new business operations in the mobile and digital solutions sector, are expected to contribute positively to earnings.

**Discontinued Operations**

**Fabric Production**

The Group has discontinued its operations in the fabric production and sale segment, which were conducted through Be Top. This segment was disposed of on August 10, 2022. Therefore, there is no longer any prospect or involvement of the Group in this particular business area.

**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 June 2023.

**B5. TAXATION**

	Current Quarter Ended 30.6.2023	Preceding Year Corresponding Quarter Ended 30.6.2022	Current Financial Year-To-Date Ended 30.6.2023	Preceding Financial Year-To-Date Ended 30.6.2022
	RM'000	RM'000	RM'000	RM'000
Tax on profit	n.a.	461	n.a.	1,988
In respect of:-				
<b>Continuing operations</b>				
Television Airtime Services Sdn. Bhd.	n.a	-	n.a	-
Dapat Vista (M) Sdn. Bhd.	n.a	2	n.a	6
<b>Discontinued operations</b>				
Top Textile (Suzhou) Co., Ltd.	n.a	459	n.a	1,982

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.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

#### B6. CORPORATE PROPOSALS

On 16 March 2023, the Company entered into a conditional subscription agreement with Macquarie Bank Limited ("Investor"). Under this agreement, the Investor will subscribe to up to 43,000,000 new ordinary shares, approximately 10% of the Company's total issued shares.

The first tranche, constituting about 5% of the Company's total number of issued shares, will support working capital, coin conversion roll-out, and retiring revolving credit facilities. The second tranche is contingent upon Bursa Securities approving the regularisation plan.

On 14 June 2023, Bursa Securities approved the first tranche. The Company met all related conditions for the proposed placement on 15 June 2023, initiating the subscription period.

As of the date of this report, Macquarie Bank has subscribed to 3,850,000 Placement Shares at an average price of RM2.6692 each.

#### B7. BORROWINGS

As at 30 June 2023, the Group's borrowing, denominated in Malaysian Ringgit, is as follows:-

	<b>Current Quarter Ended 30.6.2023 RM'000 Unaudited</b>	<b>Preceding Financial Period Ended 31.12.2022 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

**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 June 2023.

**B11. EARNINGS/ (LOSS) PER SHARE**

	<b>Current Quarter Ended 30.6.2023 RM'000 Unaudited</b>	<b>Preceding Financial Period Ended 31.12.2022 RM'000 Audited</b>
<b>a) Basic earnings/ (loss) per share</b>		
<b>(i) Continuing operations</b>		
Net loss attributable to owners of the Company	(4,503)	(9,340)
Weighted average number of ordinary shares ('000)	438,211	433,361
Basic earnings/ (loss) per share (sen)	(1.03)	(2.16)
<b>(ii) Discontinued operations     (disposed on 10.8.2022)</b>		
Net (loss)/ profit attributable to owners of the Company	-	(28,094)
Weighted average number of ordinary shares ('000)	-	433,361
Basic earnings/ (loss) per share (sen)	-	(6.48)
<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 SECOND QUARTER ENDED 30 JUNE 2023**

**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 from GIL.

PURPOSE	PROPOSED UTILISATION	ACTUAL UTILISATION	INTENDED TIMEFRAME FOR UTILISATION	DEVIATION		EXPLANATION <i>(if the deviation is 5% or more)</i>
				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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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

**B12. UTILISATION OF PROCEEDS (CONT'D)**

The table below summarises the utilisation of proceeds raised from the Placement Shares to date amounting to RM10.276 million, received from Macquarie Bank Limited.

PURPOSE	PROPOSED UTILISATION	ACTUAL UTILISATION	INTENDED TIMEFRAME FOR UTILISATION	DEVIATION		EXPLANATION <i>(if the deviation is 5% or more)</i>
				AMOUNT	%	
				RM'000		
i) Project roll-out costs	15,000	184	Within 24 months	n.a.	n.a.	n.a.
ii) Repayment of bank borrowings	8,000	Nil	Within 3 months	n.a.	n.a.	n.a.
iii) Working capital of the Group	19,882	4,319	Within 24 months	n.a.	n.a.	n.a.
iv) Estimated expenses in respect of the Proposed Placement of first Tranche	1,000	250	Within 12 months	n.a.	n.a.	n.a.