

PERTAMA DIGITAL BERHAD

198401002327 (114842-H)

(Incorporated In Malaysia)

QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2023

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INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31.12.2023 RM'000 UNAUDITED	AS AT 31.12.2022 RM'000 AUDITED
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	200	152
Development costs	7,661	5,322
	7,861	5,474
CURRENT ASSETS		
Trade receivables	247	376
Contract assets	-	22
Other receivables, deposits and prepayments	6,849	10,872
Fixed deposits with licensed banks	8,148	8,663
Cash and bank balances	162,689	133,611
Tax recoverable	11	12
	177,944	153,556
TOTAL ASSETS	185,805	159,030
TOTAL EQUITY AND LIABILITIES		
EQUITY		
Share capital	59,107	48,816
Retained profit	(40,535)	(33,934)
	18,572	14,882
Equity attributable to owners of the Company	18,572	14,882
Non-controlling interests	(3,499)	1,059
	15,073	15,941
TOTAL EQUITY	15,073	15,941
CURRENT LIABILITIES		
Trade payables	977	475
Other payables and accruals	161,755	134,614
Bank borrowing	8,000	8,000
	170,732	143,089
TOTAL LIABILITIES	170,732	143,089
TOTAL EQUITY AND LIABILITIES	185,805	159,030
Net assets per share (RM)	0.04	0.03

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

INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 2023

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

	3 MONTHS		CUMULATIVE 12 MONTHS	
	CURRENT YEAR QUARTER ENDED 31.12.2023 RM'000 UNAUDITED	PRECEDING FINANCIAL YEAR CORRESPONDING QUARTER ENDED 31.12.2022 RM'000 AUDITED	CURRENT FINANCIAL YEAR-TO-DATE ENDED 31.12.2023 RM'000 UNAUDITED	PRECEDING FINANCIAL YEAR-TO-DATE ENDED 31.12.2022 RM'000 AUDITED
CONTINUING OPERATIONS				
Revenue	1,583	1,126	6,182	8,779
Cost of sales	(770)	(859)	(2,811)	(5,972)
Gross profit	813	267	3,371	2,807
Other operating income	4	1,243	6	1,253
Administrative expenses	(317)	(2,168)	(13,468)	(12,901)
Other operating expenses	(316)	235	(631)	(691)
	184	(423)	(10,722)	(9,532)
Finance cost	(118)	(97)	(437)	(373)
Profit/ (Loss) before taxation	66	(520)	(11,159)	(9,905)
Taxation	-	9	-	(13)
Profit/ (Loss) after taxation from continuing operations	66	(511)	(11,159)	(9,918)
DISCONTINUED OPERATIONS				
Profit/ (Loss) after taxation from discontinued operations	-	(39,449)	-	(28,094)
Profit/ (Loss) after taxation	66	(39,960)	(11,159)	(38,012)
Other comprehensive income, net of tax				
Foreign currency translation differences	-	57,113	-	1,358
Total comprehensive profit/ (loss) for the period	66	17,153	(11,159)	(36,654)
Profit/ (Loss) attributable to:				
Owners of the Company	11	(39,984)	(6,601)	(37,434)
Non-controlling interests	55	24	(4,558)	(578)
	66	(39,960)	(11,159)	(38,012)
Total comprehensive income/ (loss) attributable to:				
Owners of the Company	11	17,129	(6,601)	(36,076)
Non-controlling interests	55	24	(4,558)	(578)
	66	17,153	(11,159)	(36,654)
Earnings/ (Loss) per share (sen) :				
Basic				
Continuing operations	0.00	(0.12)	(1.51)	(2.16)
Discontinued operations	-	(9.10)	-	(6.48)
Diluted				
Continuing operations	0.00	(0.12)	(1.51)	(2.16)
Discontinued operations	-	(9.10)	-	(6.48)

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

INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 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	-	(6,601)	(6,601)	(4,558)	(11,159)
Issuance of new shares	10,291	-	10,291	-	10,291
Total comprehensive income/ (loss) for the financial period	-	(6,601)	(6,601)	(4,558)	(11,159)
Balance as at 31 December 2023 <i>(Unaudited)</i>	59,107	(40,535)	18,572	(3,499)	15,073

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

INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR QUARTER ENDED 31.12.2023 RM'000 UNAUDITED	PRECEDING FINANCIAL PERIOD ENDED 31.12.2022 RM'000 AUDITED
OPERATING ACTIVITIES		
(Loss) / Profit before taxation		
- Continuing operations	(11,159)	(9,905)
- Discontinuing operations	-	(25,155)
Adjustments for :-		
Amortisation of development costs	869	416
Depreciation	58	44
Dividend income	-	(321)
Negative goodwill	-	(515)
Interest expense	437	373
Interest income	(220)	(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	-	(3,159)
Operating (loss) / profit before working capital changes	(10,016)	10,340
Changes in inventories	-	(1,420)
Changes in receivables	4,173	2,769
Changes in payables	(945)	(3,185)
Cash (used in) / generated from operations	(6,787)	8,504
Interest received	220	964
Tax paid	1	(1,943)
Net cash (used in) / generated from operating activities	(6,565)	7,525
INVESTING ACTIVITIES		
Addition of development costs	(3,208)	(3,341)
Acquisition of property, plant and equipment	(106)	(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) investing activities	(3,313)	(31,544)
FINANCING ACTIVITIES		
Proceed from issued of share capital	10,291	-
Increase in pledged deposit	-	(30)
Interest paid	(437)	(373)
Net cash generated from / (used in) financing activities	9,855	(403)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(24)	(24,422)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,560	26,982
CASH AND CASH EQUIVALENTS CARRIED FORWARD	2,536	2,560
Represented by:		
Fixed deposits with licensed banks	8,148	8,663
Cash and bank balances	162,689	133,611
	170,837	142,274
Less:		
Pledged fixed deposit	(8,030)	(8,030)
Restricted Deposits	(160,271)	(131,684)
	2,536	2,560

Note : () Denotes cash outflow

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 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 31 December 2023.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 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		Fabric Production		Adjustments and Elimination		Per Consolidated Financial Statements	
	<i>Continuing</i>		<i>Discontinued</i>					
	<i>(Cumulative 12 Months)</i>		<i>(Cumulative 12 Months)</i>		<i>(Cumulative 12 Months)</i>		<i>(Cumulative 12 Months)</i>	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	6,182	8,779	-	42,870	-	(42,870)	6,182	8,779
Results								
Segment profit/ (loss) after tax	(11,159)	(9,918)	-	(28,094)	-	28,094	(11,159)	(9,918)
Segmental profit/(loss) include the following :-								
Amortisation of development costs	869	416	-	-	-	-	869	416
Depreciation	58	44	-	-	-	-	58	44
Interest income on :								
Financial assets measured at amortised costs	(217)	(226)	-	(49)	-	49	(217)	(226)
Financial assets at fair value through profit or loss loss mandatorily	-	-	-	(3,746)	-	3,746	-	-
Share of results of joint ventures	-	-	-	(979)	-	979	-	-
Loss on re-measurement to fair value less costs to sell	-	-	-	(40,941)	-	40,941	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 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>			
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Assets						
Segment assets	185,805	159,030	-	-	185,805	159,030
Consolidated total assets					185,805	159,030
Liabilities						
Segment liabilities	170,732	143,089	-	-	170,732	143,089
					170,732	143,089

* 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 FORTH QUARTER ENDED 31 DECEMBER 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 31.12.2023	For Preceding Year Corresponding Quarter 31.12.2022
Condensed consolidated statement of comprehensive income		
Based on average rate for the quarter RMB1.00 to RM	n.a.	0.6585
Condensed consolidated statement of financial position		
Based on closing rate for the quarter RMB1.00 to RM	n.a.	0.6531

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.

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 31 December 2023, the Group’s investment holding, mobile, and digital solutions segment recorded a higher revenue of RM1.59 million, an increase of 40.59% compared to quarter ended 31 December 2022. The higher revenue was mainly contributed by eJamin; (a digital payment solution used in courts throughout Malaysia). The Group recorded Profit Before Tax (“PBT”) of RM0.07 million (112.69%). The Group’s PBT was mainly due to lower operating expenses.

For the financial year ended 31 December 2023, the Group’s investment holding, mobile, and digital solutions segment recorded a lower revenue of RM6.18 million, a decrease of 29.58% compared to preceding financial year ended 31 December 2022 (“YoY”), the Ministry of Health (“MOH”) has ceased the usage of mySMS services during 2022 as Malaysia entered the COVID-19 endemic phase. The Group recorded a higher YTD Loss Before Tax (“LBT”) of RM11.16 million (-12.66% YoY) was mainly due to higher realised foreign exchange (“forex”) gain in 2022.

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 31.12.2023	Immediate Preceding Quarter Ended 30.9.2023	Changes	
	RM'000	RM'000	RM'000	%
Continuing Operations				
Investment Holding, Mobile, and Digital Solutions Business				
Revenue	1,583	1,596	(13)	(0.81)
Gross profit	813	770	43	5.58
Profit/ (Loss) from operations	184	(3,954)	4,138	> 100
Profit/ (Loss) before interest and tax	184	(3,954)	4,138	> 100
Profit/ (Loss) before tax	66	(4,072)	4,138	> 100
Profit/ (Loss) after tax	66	(4,072)	4,138	> 100
Profit/ (Loss) after tax attributable to				
Owners of the Company	11	(338)	349	> 100
Non-controlling interests	55	(3,734)	3,789	> 100

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 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 Quarter Ended 31.12.2023	Immediate Preceding Quarter Ended 30.9.2023	Changes	
	RM'000	RM'000	RM'000	%
Discontinued Operations				
Fabric Production				
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 lower revenue of RM1.59 million in the current quarter under review, a decrease of 0.81% compared to the immediate preceding quarter ended 30 September 2023 ("QoQ") and PBT of RM0.07 million (101.62% QoQ). The minimal reduction in revenue was mainly due to cyclical market fluctuations. The Group's PBT was mainly due to lower 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, has successfully rolled out the 'coin conversion project' known as Kocek to multiple locations in Klang Valley and continues to expand its reach. This initiative, which involves placing kiosks in selected commercial areas, allows the general public, including retailers and consumers, to exchange their Malaysian syillings (coins) for credit into their bank accounts via the Company's mobile app, 'MyPay'. Additionally, individuals can exchange coins from these kiosks. The Company earns transaction fees from the total value of coins exchanged through these kiosks.

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).

With further business developments in the pipeline, which the Group will announce at the appropriate time, the identified digitisation opportunities to embark on are expected to contribute positively to earnings, despite the complexities of the evolving digital world.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 DECEMBER 2023

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

B3. PROSPECTS (CONT'D)

ii) 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 31 December 2023.

B5. TAXATION

	Current Quarter Ended 31.12.2023	Preceding Year Corresponding Quarter Ended 31.12.2022	Current Financial Year-To-Date Ended 31.12.2023	Preceding Financial Year-To-Date Ended 31.12.2022
	RM'000	RM'000	RM'000	RM'000
Tax on profit	n.a.	948	n.a.	2,952
In respect of:-				
Continuing operations				
Television Airtime Services Sdn. Bhd.	n.a	-	n.a	-
Dapat Vista (M) Sdn. Bhd.	n.a	(9)	n.a	13
Discontinued operations				
Top Textile (Suzhou) Co., Ltd.	n.a	957	n.a	2,939

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 FORTH QUARTER ENDED 31 DECEMBER 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.

On 11 August 2023, the Company and the Investor had mutually agreed to terminate the Subscription Agreement effective 15 August 2023 with no subscriptions to be made up to such date, subject to the Company paying termination payable sum of RM2.5 million to Macquarie Bank by 15 August 2023 ("Termination"). The Termination was decided by the Board after taking into consideration, amongst others, the Group's current financial conditions as well as the adequacy of its financial resources for its on-going business activities. Barring unforeseen circumstances, save for the termination payable sum to be incurred by the Group of RM2.5 million, the Termination is not expected to have any other material effect to the Group's financial results for the financial year ending 31 December 2023.

On 15 August 2023, the Investor had confirmed that it had received the termination fee paid by the Company. Following thereto, the Subscription Agreement is terminated with effect from 15 August 2023 and the Placement is deemed completed on even date.

As of the date of this report, Macquarie Bank has subscribed to 4,850,000 Placement Shares, raising total gross proceeds of RM12.8 million.

B7. BORROWINGS

As at 31 December 2023, the Group's borrowing, denominated in Malaysian Ringgit, is as follows:-

	Current Quarter Ended 31.12.2023 RM'000 Unaudited	Preceding Financial Period Ended 31.12.2022 RM'000 Audited
Current Liability		
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 FORTH QUARTER ENDED 31 DECEMBER 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 31 December 2023.

B11. EARNINGS/ (LOSS) PER SHARE

	Current Quarter Ended 31.12.2023 RM'000 Unaudited	Preceding Financial Period Ended 31.12.2022 RM'000 Audited
a) Basic earnings/ (loss) per share		
(i) Continuing operations		
Net loss attributable to owners of the Company	11	(9,340)
Weighted average number of ordinary shares ('000)	438,211	433,361
Basic earnings/ (loss) per share (sen)	0.00	(2.16)
(ii) Discontinued operations (disposed on 10.8.2022)		
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) 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 FORTH QUARTER ENDED 31 DECEMBER 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 FORTH QUARTER ENDED 31 DECEMBER 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 RM12.792 million, received from Macquarie Bank Limited. The Placement is deemed completed as of 15 August 2023 with no further subscription. Please refer to B6 for details of the Placement.

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	710	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	11,796	Within 24 months	n.a.	n.a.	n.a.
iv) Estimated expenses in respect of the Proposed Placement of first Tranche	1,000	286	Within 12 months	n.a.	n.a.	n.a.

* Approved proposed utilisation stated was for the full first tranche that was expected to raise total gross proceeds of up to RM43.882 million. However, actual proceeds raised up to the completion date was only RM12.792 million. Please refer to B6 for details of the Placement.