



Harvest Miracle Capital Berhad

HARVEST MIRACLE CAPITAL BERHAD

**Company No. 199601010679 (383028-D)
(Incorporated in Malaysia)**

Year 2024

**Quarterly Announcement
For The Quarter Ended 30 September 2023**

HARVEST MIRACLE CAPITAL BERHAD
Company No. 199601010679 (383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year	Current Year To-date	Preceding Year
	30 September 2023	Corresponding Quarter 30 September 2022	30 September 2023	Corresponding Period 30 September 2022
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Revenue	21,555	35,114	44,678	71,989
Cost of sales	(18,369)	(31,552)	(38,239)	(64,135)
Gross profit	<u>3,186</u>	<u>3,562</u>	<u>6,439</u>	<u>7,854</u>
Other income	362	19	521	182
	<u>3,548</u>	<u>3,581</u>	<u>6,960</u>	<u>8,036</u>
Operating expenses	(3,097)	(4,730)	(21,630)	(9,548)
Finance costs	(161)	(59)	(332)	(129)
Profit/(Loss) before taxation	<u>290</u>	<u>(1,208)</u>	<u>(15,002)</u>	<u>(1,641)</u>
Tax expense	(295)	(6)	(385)	(68)
Loss after taxation/ Total comprehensive expenses	<u>(5)</u>	<u>(1,214)</u>	<u>(15,387)</u>	<u>(1,709)</u>
Loss after taxation attributable to:-				
Owners of the Company	(2)	(1,211)	(15,387)	(1,707)
Non-controlling interests	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>(2)</u>
	<u>(5)</u>	<u>(1,214)</u>	<u>(15,387)</u>	<u>(1,709)</u>
Total comprehensive expenses attributable to:-				
Owners of the Company	(2)	(1,211)	(15,387)	(1,707)
Non-controlling interests	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>(2)</u>
	<u>(5)</u>	<u>(1,214)</u>	<u>(15,387)</u>	<u>(1,709)</u>
Loss per share "LPS" (in sen)				
Basic LPS	0.00	(0.11)	(1.26)	(0.15)
Diluted LPS	0.00	(0.11)	(1.26)	(0.15)

(The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.)

HARVEST MIRACLE CAPITAL BERHAD
Company No. 199601010679 (383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	(UNAUDITED)	(AUDITED)
	As at	As at
	30 September 2023	31 March 2023
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property and equipment	5,182	4,746
Investment properties	141,693	93,592
Right-of-use assets	35,778	36,974
Other investment	284	284
Goodwill on consolidation	10	10
	182,947	135,606
Current Assets		
Inventories	10,363	16,117
Property development costs	-	175,547
Trade and other receivables	35,631	18,281
Current tax assets	2,532	3,069
Short-term investments	50,892	31,155
Cash and bank balances	21,445	32,249
	120,863	276,418
TOTAL ASSETS	303,810	412,024
EQUITY AND LIABILITIES		
EQUITY		
Share capital	285,406	285,291
Reserves	(3,804)	1,129
Equity attributable to owners of the Company	281,602	286,420
Non-controlling interests	3,415	503
TOTAL EQUITY	285,017	286,923
Non-Current Liabilities		
Lease liabilities	5,587	6,308
Deferred tax liabilities	135	5,078
	5,722	11,386
Current Liabilities		
Trade and other payables	11,498	102,753
Lease liabilities	1,569	1,704
Contract liability	-	8,790
Current tax liabilities	4	468
	13,071	113,715
TOTAL LIABILITIES	18,793	125,101
TOTAL EQUITY AND LIABILITIES	303,810	412,024
Net assets per share (sen)	22.99	23.39

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.)

HARVEST MIRACLE CAPITAL BERHAD
Company No. 199601010679 (383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX (6) MONTHS ENDED 30 SEPTEMBER 2023

	Share Capital	Irredeemable Convertible Preference Shares ("ICPS")	Non-Distributable Warrants Reserve	Distributable Accumulated Losses	Attributable To Owners of the Company	Non- Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2022	261,958	3,413	26,182	(15,069)	276,484	529	277,013
Contribution by owners of the Company:							
- Conversion of ICPS	451	(451)	-	-	-	-	-
- Exercise of Warrants C	10,010	-	(4,077)	-	5,933	-	5,933
Total transaction with owners	10,461	(451)	(4,077)	-	5,933	-	5,933
Loss for the period	-	-	-	(1,707)	(1,707)	(2)	(1,709)
Balance as at 30 September 2022	272,419	2,962	22,105	(16,776)	280,710	527	281,237
Balance as at 1 April 2023	285,291	2,890	21,607	(23,368)	286,420	503	286,923
Contributions by owners of the Company:							
- Conversion of ICPS	115	(115)	-	-	-	-	-
Total transactions with owners	115	(115)	-	-	-	-	-
Changes in subsidiary interest that do not result in loss of control	-	-	-	10,569	10,569	3,431	14,000
Changes in ownership interest	-	-	-	-	-	(519)	(519)
Loss for the period	-	-	-	(15,387)	(15,387)	-	(15,387)
Balance as at 30 September 2023	285,406	2,775	21,607	(28,186)	281,602	3,415	285,017

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.)

HARVEST MIRACLE CAPITAL BERHAD
Company No. 199601010679 (383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE SIX (6) MONTHS ENDED 30 SEPTEMBER 2023

	(UNAUDITED)	(UNAUDITED)
	CURRENT	CORRESPONDING
	PERIOD-TO-DATE	PERIOD-TO-DATE
	6 MONTHS	6 MONTHS
	ENDED	ENDED
	30 September 2023	30 September 2022
Note	RM'000	RM'000
CASH FLOW FROM/(FOR) OPERATING ACTIVITIES		
Loss before taxation	(15,002)	(1,641)
Adjustments for:		
Depreciation of property and equipment	281	409
Depreciation of right-of-use assets	1,196	1,264
Depreciation of investment properties	28	81
Interest expense on lease liabilities	329	129
Loss on disposal of subsidiary	15,545	-
Interest income	(971)	(342)
Realisation of fair value arising from the acquisition of a subsidiary	-	149
Reversal of realisation of fair value arising from the acquisition of a subsidiary	153,424	-
Operating profit before changes in working capital	<u>154,830</u>	<u>49</u>
Net change in inventories	5,889	3,323
Net change in trade & other receivables	(7,192)	(16,793)
Net change in contract liability	(8,790)	1,090
Net change in trade & other payables	(89,709)	3,693
Cash flow from/(for) operations	<u>55,028</u>	<u>(8,638)</u>
Net income tax paid	(248)	(1,064)
Interest received	971	322
Net cash from/(for) operating activities	<u>55,751</u>	<u>(9,380)</u>
CASH FLOW FOR INVESTING ACTIVITIES		
Interest income received	-	20
Disposal of a subsidiary, net of cash and cash equivalent disposed of	(2,012)	-
Purchase of equipment	(732)	(363)
Development costs paid	-	(11,196)
Acquisition of investment property	(58,365)	-
Proceeds from disposal of subsidiary that does not involve loss of control	14,000	-
Proceeds from disposal of subsidiary	1,500	-
Net cash for investing activities	<u>(45,609)</u>	<u>(11,539)</u>
CASH FLOW (FOR)/FROM FINANCING ACTIVITIES		
Proceeds from exercise of Warrants C	-	5,933
Net repayment of lease liabilities	(1,209)	(1,201)
Net cash (for)/from financing activities	<u>(1,209)</u>	<u>4,732</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,933	(16,187)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	63,404	62,433
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>1</u> 72,337</u>	<u><u>46,246</u></u>
Note 1		30 September 2023
Cash and Cash Equivalents at End of the Financial Period comprised:		RM'000
Short-term investments		50,892
Cash and bank balances		21,445
		<u><u>72,337</u></u>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.)

HARVEST MIRACLE CAPITAL BERHAD (“HMCB” or “the Company”)

Company No. 199601010679 (383028-D)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“the Group”) for the financial year ended 31 March 2023. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2023.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2023 except for the adoption of the following:-

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

- MFRS 17, Insurance contracts and Amendments to MFRS 17, Insurance contracts
- Amendment to MFRS 17, Initial Application of MFRS 17 and MFRS 9—Comparative Information
- Amendments to MFRS 101, Disclosure of Accounting Policies
- Amendments to MFRS 108, Definition of Accounting Policies
- Amendments to MFRS 112, Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

A2. Changes in Accounting Policies (Cont’d)

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial year:-

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

- Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128: Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Presentation of Financial Statements -Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 March 2023 was not qualified.

A4. Seasonality or Cyclical of Operations

The Group’s operations are not materially affected by any seasonal or cyclical factors.

A5. Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review that were unusual because of their nature, size or incidence.

A6. Material Changes in Estimates

There were no material changes in estimates during the current financial period under review.

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

A7. Issuances, Repurchases, and Repayments of Debt and Equity Securities

Pursuant to the rights issue of 60,988,578 new ordinary shares on the basis of 1 new ordinary share for every 5 existing shares held on the entitlement date, together with 60,988,578 free detachable Warrants B (“Warrant(s) B”) on the basis of 1 Warrant B for every 1 new ordinary share subscribed for (“Rights Issue of Shares with Warrants B”), the Company has issued 60,988,578 new ordinary shares together with 60,988,578 Warrants B. The new ordinary shares and Warrants B have been listed on the ACE Market of Bursa Securities on 15 May 2019.

Pursuant to the rights issue of 914,828,754 new irredeemable convertible preference shares (“ICPS”) on the basis of 3 ICPS for every 1 existing share held on the entitlement date (“Rights Issue of ICPS”), the Company has issued 914,828,754 ICPS. The ICPS have been listed on the ACE Market of Bursa Securities on 15 May 2019.

Following the consolidation of every 4 existing ordinary shares in HMCB (“HMCB Shares”) into 1 HMCB Share which was completed on 4 February 2021, the numbers of ICPS and Warrants B as at the entitlement date of 68,251,151 and 59,053,778, respectively, have been adjusted to 17,062,777 and 14,763,424, respectively, effective from 4 February 2021.

Pursuant to the rights issue of 332,657,376 new HMCB Shares on the basis of 1 new HMCB Share for every 1 existing HMCB Share held on the entitlement date, together with 266,121,872 free detachable Warrants C (“Warrant(s) C”) on the basis of 4 Warrants C for every 5 new HMCB Shares subscribed for (“Rights Issue of Shares with Warrants C”), the Company has issued 332,657,376 new HMCB Shares together with 266,121,872 Warrants C. The new HMCB Shares and Warrants C have been listed on the ACE Market of Bursa Securities on 28 April 2021.

Additional ICPS of 4,238,295 and additional Warrants B of 3,667,077 which were adjusted following the Rights Issue of Shares with Warrants C were listed on the ACE Market of Bursa Securities on 28 April 2021.

During the quarter under review, the following shares have been issued and listed on the ACE Market of Bursa Securities on the following dates as a result of conversion of ICPS. No Warrant B and Warrant C were exercised during the quarter under review.

	No. of shares issued resulting from
Listing Date	Conversion of ICPS
11 August 2023	4,681
Total	4,681

As at 30 September 2023, the ICPS, Warrants B and Warrants C of the Company was 17,314,630, 18,430,501 and 125,946,372 respectively. The Company does not have any other existing convertible securities.

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period under review.

A8. Dividends Paid

There were no dividends paid during the current financial period under review.

A9. Operating Segments Information

The Group business segments comprise the following:-

- (i) Information Technology (“IT”) and Information Communication Technology (“ICT”) division - involved in trading in IT and ICT related products (hardware, software and accessories), software development and support services and others (“IT and ICT Division”);
- (ii) Investment properties (“Property Investment Division”);
- (iii) Moneylending business (“Moneylending Business Division”);
- (iv) Plantation business (“Plantation Business Division”); and
- (v) Investment holding (“Investment Holding Division”).

Part A**Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)****A9. Operating Segment Information (Cont’d)**

Segmental information is provided based on business segments, as follows:

	IT and ICT Division RM'000	Property Investment Division RM'000	Moneylending Business Division RM'000	Plantation Division RM'000	Investment Holding Division RM'000	Other Division RM'000	The Group RM'000
Current quarter ended 30 Sept 2023							
Revenue							
External revenue	20,019	19	383	592	542	-	21,555
	20,019	19	383	592	542	-	21,555
Consolidation adjustment							-
Consolidated revenue							21,555
Results							
Segment results	312	209	174	261	242	(2)	1,196
Interest income	8	-	-	-	-	-	8
Depreciation of property and equipment	(53)	(16)	(70)	(9)	(5)	-	(153)
Depreciation of right-of-use assets	(484)	-	(5)	(110)	-	-	(599)
Interest expense	(2)	-	-	-	-	-	(2)
Interest expense on lease liabilities	(159)	-	(1)	-	-	-	(160)
Consolidated (loss)/profit before taxation	(378)	193	98	142	237	(2)	290
Tax expense	(94)	(4)	(41)	(156)	-	-	(295)
Consolidated (loss)/profit after taxation	(472)	189	57	(14)	237	(2)	(5)
Assets							
Segment assets/Consolidated total assets	25,188	142,125	19,149	33,859	83,481	8	303,810
Liabilities							
Segment liabilities/Consolidated total liabilities	18,223	53	86	215	205	11	18,793

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

A9. Operating Segment Information (Cont’d)

	IT and ICT Division RM'000	Property Investment Division RM'000	Moneylending Business Division RM'000	Plantation Division RM'000	Investment Holding Division RM'000	Other Division RM'000	The Group RM'000
Current quarter ended							
30 September 2022							
Revenue							
External revenue	33,083	70	530	779	211	441	35,114
Consolidated revenue							<u>35,114</u>
Results							
Segment results	150	15	33	337	(458)	(291)	(214)
Interest income	2	-	4	-	-	2	8
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	-	-	(68)	(68)
Depreciation of property and equipment	(101)	(2)	(68)	(9)	(15)	(7)	(202)
Depreciation of right-of-use assets	(510)	-	-	(109)	(13)	-	(632)
Depreciation of investment properties	-	(41)	-	-	-	-	(41)
Interest expense on lease liabilities	(59)	-	-	-	-	-	(59)
Consolidated (loss)/profit before taxation	(518)	(28)	(31)	219	(486)	(364)	(1,208)
Tax expense	-	(6)	(14)	-	-	14	(6)
Consolidated (loss)/profit after taxation	(518)	(34)	(45)	219	(486)	(350)	(1,214)
Assets							
Segment assets/Consolidated total assets	46,093	8,589	16,797	33,701	99,170	175,750	<u>380,100</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	24,842	100	67	131	449	73,274	<u>98,863</u>

The Group operates principally in Malaysia.

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter up to 17 November 2023, being the latest practicable date not earlier than seven (7) days from the date of the issue of this report that are expected to have an operational or financial impact except as follow:-

- (i) The Board has on 17 November 2023 announced that HMCB has entered into Shares Sales Agreement (“SSA”) with Commonwell Sdn. Bhd. (“CSB”) to acquire 24,500,006 ordinary shares in Claybricks & Tiles Sdn. Bhd. (“CTSB”) which represents 70% of the paid-up capital in CTSB for total cash consideration of RM 10 million.
- (ii) The Board has on 17 November 2023 announced that HMCB has entered into SSA with CSB and Lim Gek Kooy to acquire 1,190,010 ordinary shares in Qualibricks & Tiles Sdn. Bhd. (“QTSB”) which represents 70% in total of the paid-up capital in QTSB for total cash consideration of RM 0.9 million.
- (iii) The Board has on 17 November 2023 announced that HMCB has entered into SSA with CSB to acquire 215,600 ordinary shares in Mandong Transport & Trading Sdn. Bhd. (“MTTSB”) which represents 70% of the paid-up capital in MTTSB for total cash consideration of RM 0.1 million.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period under review:-

A12. Changes in Contingent Liabilities and Contingent Assets since the Last Annual Balance Sheet Date

Since the last annual balance sheet date, there were no material changes in contingent liabilities and contingent assets for the Group as at 17 November 2023 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

A13. Capital Commitments

There were no capital commitments as at 17 November 2023 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) except as follows:

	RM’000
Approved and contracted for:	
- Investment properties under construction	97,612
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Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

A14. Related Party Transactions

The Group’s related party transactions are as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30 September 2023 RM'000	Preceding Year Corresponding Quarter 30 September 2022 RM'000	Current Year To-date 30 September 2023 RM'000	Preceding Year Corresponding Period 30 September 2022 RM'000
Professional services charged by a related party	7	11	19	22
Key management personnel:-				
- salaries and allowances	148	410	314	805
- defined contribution plans	17	49	37	96
- others	1	1	2	2
- fee	65	81	137	161

A15. Changes in Fair Value of Financial Assets and Financial Liabilities, Transfers and Classifications

There have been no significant changes in the business or economic circumstances that affect the fair value of the Group’s financial assets and financial liabilities in the current financial period under review.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements

B1. Detailed Analysis of Overall Performance

	Individual Quarter			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To-date	Preceding Year Corresponding Quarter	Changes
	30.09.2023	30.09.2022		30.09.2023	30.09.2022	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue by Division:-						
IT and ICT	20,019	33,083	(39.5)	41,683	67,928	(38.6)
Property Investment	19	70	(72.9)	48	140	(65.7)
Moneylending Business	383	530	(27.7)	709	1,216	(41.7)
Plantation	592	779	(24.0)	1,279	1,705	(25.0)
Investment Holding	542	211	156.9	959	322	197.8
Others	-	441	(100.0)	-	678	(100.0)
	21,555	35,114	(38.6)	44,678	71,989	(37.9)
Profit/(Loss) before taxation ("PBT"/"LBT") by Division:-						
IT and ICT	(378)	(518)	27.0	(415)	(1,066)	61.1
Property Investment	193	(28)	789.3	195	(37)	627.0
Moneylending Business	98	(31)	416.1	98	151	(35.1)
Plantation	142	219	(35.2)	241	852	(71.7)
Investment Holding	237	(486)	148.8	(15,119)	(970)	(1,458.7)
Others	(2)	(364)	99.5	(2)	(571)	99.6
	290	(1,208)	124.0	(15,002)	(1,641)	(814.2)

Overall Performance

The Group's revenue for the current quarter as compared to the preceding year's corresponding quarter has decreased by RM13.5 million (38.6%). The main contributor of the unpleasant result is from IT and ICT Division with significant drop in revenue from Do-It-Yourself ("DIY") products.

The Group reached its break-even point for the quarter under review after the effort of reprioritise the Group financial resources from others division.

IT and ICT Division

Decline of revenue is explained above. Lower LBT for the quarter under review was due to efficiency of selling and distribution cost controlled by the management.

Property Investment Division

Reduction of revenue as the result of investment properties disposed prior to the reporting quarter. Higher PBT is due to deposit forfeited on the disposal of investment property.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B1. Detailed Analysis of Overall Performance (Cont'd)

Moneylending Business Division

The lower revenue generated in current quarter under review compared to preceding year's corresponding quarter was mainly due to settlement of borrowing by a major customer.

Despite of lower revenue, management is able to manage the cost effectively to present a positive result for the quarter under review.

Plantation Division

Principal activities of the division is engaged in trading of Fresh Fruit Bunch ("FFB"). Declining in revenue caused by fluctuation of CPO price which resulted in average FFB price drop from RM842 per metric ton to RM782 per metric ton in current reporting quarter.

Investment Holding Division

Revenue increased due to interest income generated from higher short-term investment and bank balances available during the quarter.

The division turnaround from loss position due to lower operating cost incurred for the quarter under review.

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B2. Comments on Material Changes in the Loss Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter**

	Current Quarter	Immediate Preceding Quarter	Changes
	30.9.2023	30.6.2023	
	RM'000	RM'000	%
Revenue by Division:-			
IT and ICT	20,019	21,664	(7.6)
Property Investment	19	29	(34.5)
Moneylending Business	383	326	17.5
Plantation	592	687	(13.8)
Investment Holding	542	417	30.0
Others	-	-	0.0
	21,555	23,123	(6.8)
PBT/(LBT) by Division:-			
IT and ICT	(378)	(37)	(921.6)
Property Investment	193	2	9,550.0
Moneylending Business	98	-	100.0
Plantation	142	99	43.4
Investment Holding	237	(15,356)	101.5
Others	(2)	-	0.0
	290	(15,292)	101.9

Overall Performance

Revenue for both quarter under review are comparable.

Improvement of RM15.3 million losses was due to absent of loss from disposal of subsidiaries during immediate preceding quarter.

IT and ICT Division

Fluctuation of revenue for the quarter under review as compared to immediate preceding quarter is mainly due to soft demand of DIY products.

Lower LBT for the quarter under review was directly impact resulted from drop in revenue.

Property Investment Division

The rental income earned was fairly consistent for both quarters. PBT is due to deposit forfeited on the disposal of investment property.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B2. Comments on Material Changes in the Loss Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter (Cont'd)

Moneylending Business Division

Organic growth on revenue was due to increase in number of loan given out which generating higher interest income.

Improvement on bottom line was a direct impact from revenue improvement.

Plantation Division

Revenue fluctuation was due to reduction in FFB output. Despite the reduction in revenue, the bottom line was fairly consistent.

Investment Holding Division

Revenue increased due to interest income generated from higher short-term investment and bank balances in the reporting quarter.

The improvement of bottom line was due to absent of loss from disposal of subsidiaries during immediate preceding quarter.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B3. Commentary on Prospects

In view of the uncertain domestic economic conditions, the Group is anticipating a challenging year ahead.

The Board will take a cautious risk-adjusted approach towards the deployment of funds to existing portfolios while continuing to seek more opportunities and assessing all factors and angles before deciding to undertake any such possibilities.

B4. Variance between Actual Profit and Forecast Profit or Profit Guarantee

There were no profit forecast or profit guarantee made public for the current financial period under review.

B5. Tax Expense

The tax expense is as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.09.2023 RM'000	Preceding Corresponding Quarter 30.09.2022 RM'000	Current Year To-date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Current tax expense:				
- For the current financial period	(295)	(20)	(385)	(89)
Deferred tax expense:				
- For the current financial period	-	14	-	21
	<u>(295)</u>	<u>(6)</u>	<u>(385)</u>	<u>(68)</u>

B6. Status of Corporate Proposals

There were no corporate proposals as at 17 November 2023 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B7. Utilisation of Proceeds

Private Placement II

On 7 March 2023, the Company has completed a private placement II of 111,309,500 new HMCB shares at an issue price of RM0.105 each following the listing of 111,309,500 new HMCB Shares in the ACE Market of Bursa Securities.

At 30 September 2023, the status of utilisation of proceeds raised from Private Placement II is as follows:-

Utilisation of proceeds	Utilisation of proceeds after the variation (RM'000)	Amount utilised at 30 June 2023 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Working capital for moneylending business	11,575*	(11,575)	-	Within 12 months*
Expenses in relation to the corporate exercise	112#	(112)	-	Within 1 month
TOTAL	11,687	(11,687)	-	

* From 7 March 2023 (being the date of completion of the Private Placement II).

As the actual expenses for the corporate exercise were lower than the estimated expenses for the said corporate exercise, hence the surplus (i.e approximately RM48,000) has been re-allocated to the working capital for moneylending business.

B8. Details of Group Borrowings and Debt Securities

The Group's interest-bearing borrowings as at the end of the reporting period are as follows:

	As at 30.09.2023 RM'000	As at 30.09.2022 RM'000
Current		
Lease liabilities	1,569	2,259
Non-current		
Lease liabilities	5,587	188
	<hr/>	<hr/>
	7,156	2,447
	<hr/>	<hr/>

B9. Gains and Losses arising from Fair Value Changes of Financial Liabilities

No gains or losses were recognised for changes in fair values of financial liabilities during the quarter under review.

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

B10. Changes in Material Litigation

The Directors were not aware of any material litigation, which, if enforced, may have a material impact on the profit or net asset value of the Group.

B11. Dividends

No interim dividend has been declared or proposed for the current financial period under review.

B12. Loss per Share

The basic loss per share was calculated by dividing the loss after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue in the respective period as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Loss after taxation attributable to the owners of the Company (RM'000)	(272)	(1,211)	(15,657)	(1,707)
Weighted average number of ordinary shares in issue	1,224,712,313	1,125,093,216	1,224,559,339	1,115,665,395
Basic loss per share (sen)	(0.02)	(0.11)	(1.28)	(0.15)
Diluted loss per share (sen)	(0.02)	(0.11)	(1.28)	(0.15)

B13. Notes to the Statement of Profit or Loss and Other Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Interest income	554	219	971	342
Interest expense on lease liabilities	160	59	329	129
Loss on disposal of subsidiary	-	-	15,145	-
Depreciation on property and equipment	139	202	281	409
Depreciation on right-of-use assets	598	632	1,196	1,264
Depreciation on investment properties	14	41	28	81
Net realisation of fair value arising from the acquisition of a subsidiary	-	68	-	149

B14. Authorisation for issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 24 November 2023.