



Harvest Miracle Capital Berhad

HARVEST MIRACLE CAPITAL BERHAD

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

Year 2024

Quarterly Announcement
For The Quarter Ended 31 March 2024

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 31 MARCH 2024

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|--|--|--|--|--|
| | Current Year Quarter 31 March 2024 (Unaudited) RM'000 | Preceding Year Corresponding Quarter 31 March 2023 (Unaudited) RM'000 | Current Year To-date 31 March 2024 (Unaudited) RM'000 | Preceding Year Corresponding Period 31 March 2023 (Audited) RM'000 |
| Revenue | 24,939 | 25,586 | 90,543 | 132,856 |
| Cost of sales | (19,936) | (24,713) | (76,271) | (120,780) |
| Gross profit | <u>5,003</u> | <u>873</u> | <u>14,272</u> | <u>12,076</u> |
| Other income | (3,728) | 1,719 | 17,740 | 9,063 |
| | <u>1,275</u> | <u>2,592</u> | <u>32,012</u> | <u>21,139</u> |
| Operating expenses | (4,063) | (10,707) | (28,242) | (24,855) |
| Finance costs | (103) | (3,661) | (1,088) | (3,838) |
| (Loss)/Profit before taxation | <u>(2,891)</u> | <u>(11,776)</u> | <u>2,682</u> | <u>(7,554)</u> |
| Tax expense | (241) | (750) | (905) | (743) |
| (Loss)/Profit after taxation/ Total comprehensive (expenses)/income | <u>(3,132)</u> | <u>(12,526)</u> | <u>1,777</u> | <u>(8,297)</u> |
| (Loss)/Profit after taxation attributable to:- | | | | |
| Owners of the Company | (2,625) | (12,535) | 2,385 | (8,298) |
| Non-controlling interests | (507) | 9 | (608) | 1 |
| | <u>(3,132)</u> | <u>(12,526)</u> | <u>1,777</u> | <u>(8,297)</u> |
| Total comprehensive (expenses)/income attributable to:- | | | | |
| Owners of the Company | (2,625) | (12,535) | 2,385 | (8,298) |
| Non-controlling interests | (507) | 9 | (608) | 1 |
| | <u>(3,132)</u> | <u>(12,526)</u> | <u>1,777</u> | <u>(8,297)</u> |
| (Loss)/Earnings per share "(LPS)/EPS" (in sen) | | | | |
| Basic (LPS)/EPS | (0.21) | (1.10) | 0.19 | (0.75) |
| Diluted (LPS)/EPS | (0.21) | (1.10) | 0.19 | (0.75) |

(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 31 MARCH 2024

| | (UNAUDITED) | (AUDITED) |
|--|----------------------|----------------------|
| | As at | As at |
| | 31 March 2024 | 31 March 2023 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-Current Assets | | |
| Property and equipment | 33,149 | 4,746 |
| Investment properties | 178,176 | 93,592 |
| Right-of-use assets | 35,211 | 36,974 |
| Trade receivables | 24,300 | - |
| Other investment | - | 284 |
| Goodwill on consolidation | 114 | 10 |
| | 270,950 | 135,606 |
| Current Assets | | |
| Inventories | 14,631 | 16,117 |
| Property development costs | - | 175,547 |
| Trade and other receivables | 27,029 | 18,281 |
| Current tax assets | 2,684 | 3,069 |
| Short-term investments | 9,041 | 31,155 |
| Cash and bank balances | 15,903 | 32,249 |
| | 69,288 | 276,418 |
| TOTAL ASSETS | 340,238 | 412,024 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 285,905 | 285,291 |
| Reserves | 13,468 | 1,129 |
| Equity attributable to owners of the Company | 299,373 | 286,420 |
| Non-controlling interests | 12,733 | 503 |
| TOTAL EQUITY | 312,106 | 286,923 |
| Non-Current Liabilities | | |
| Lease liabilities | 4,882 | 6,308 |
| Term loan | 3,694 | - |
| Deferred tax liabilities | 666 | 5,078 |
| | 9,242 | 11,386 |
| Current Liabilities | | |
| Trade and other payables | 16,188 | 102,753 |
| Lease liabilities | 1,941 | 1,704 |
| Term loan | 755 | - |
| Contract liability | - | 8,790 |
| Current tax liabilities | 6 | 468 |
| | 18,890 | 113,715 |
| TOTAL LIABILITIES | 28,132 | 125,101 |
| TOTAL EQUITY AND LIABILITIES | 340,238 | 412,024 |
| | | |
| Net assets per share (sen) | 24.42 | 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 TWELVE (12) MONTHS ENDED 31 MARCH 2024

| | 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 | (15,070) | 276,483 | 530 | 277,013 |
| Contribution by owners of the Company: | | | | | | | |
| - Conversion of ICPS | 523 | (523) | - | - | - | - | - |
| - Exercise of Warrants C | 11,233 | - | (4,575) | - | 6,658 | - | 6,658 |
| - Private Placement | 11,688 | - | - | - | 11,688 | - | 11,688 |
| - Share issuance expenses | (111) | - | - | - | (111) | - | (111) |
| Total transaction with owners | 23,333 | (523) | (4,575) | - | 18,235 | - | 18,235 |
| Change in ownership control | - | - | - | - | - | (28) | (28) |
| Loss for the period | - | - | - | (8,298) | (8,298) | 1 | (8,297) |
| Balance as at 31 March 2023 | 285,291 | 2,890 | 21,607 | (23,368) | 286,420 | 503 | 286,923 |
| 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 | 614 | (614) | - | - | - | - | - |
| Total transactions with owners | 614 | (614) | - | - | - | - | - |
| Changes in subsidiary interest that do not result in loss of control | - | - | - | 10,568 | 10,568 | 3,432 | 14,000 |
| Acquisition of subsidiaries | - | - | - | - | - | 9,925 | 9,925 |
| Changes in ownership interest | - | - | - | - | - | (519) | (519) |
| Profit for the period | - | - | - | 2,385 | 2,385 | (608) | 1,777 |
| Balance as at 31 March 2024 | 285,905 | 2,276 | 21,607 | (10,415) | 299,373 | 12,733 | 312,106 |

(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 TWELVE (12) MONTHS ENDED 31 MARCH 2024

| | (UNAUDITED) | (AUDITED) |
|--|--|--|
| | CURRENT PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2024 RM'000 | CORRESPONDING PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2023 RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | 2,682 | (7,554) |
| Adjustments for: | | |
| Depreciation of property and equipment | 550 | 1,079 |
| Depreciation of right-of-use assets | 2,526 | 2,475 |
| Depreciation of investment properties | 45 | 142 |
| Interest expense on lease liabilities | 588 | 500 |
| Interest expense | 500 | 3,338 |
| Loss on disposal of other investment | 184 | - |
| Gain on disposal of property and equipment | (18) | (1,003) |
| Gain on disposal of investment property | - | (279) |
| Gain on disposal of right-of-used assets | - | (768) |
| Loss/(Gain) on disposal of subsidiary | 15,183 | (6,179) |
| Bargain purchase on acquisition of subsidiaries | (8,666) | - |
| (Reversal of)/ Impairment loss of a trade receivable | (8,497) | 718 |
| Equipment written off | 13 | 87 |
| Impairment loss on goodwill | - | 5,764 |
| Interest income | (1,790) | (854) |
| COVID-19 related rent concessions | - | (323) |
| Realisation of fair value arising from the acquisition of a subsidiary | - | 336 |
| Operating profit/(loss) before changes in working capital | 3,300 | (2,521) |
| Net change in inventories | 4,035 | 5,846 |
| Net change in trade & other receivables | (26,966) | 41,608 |
| Net change in contract liability | (903) | 4,902 |
| Net change in trade & other payables | 63,741 | 17,497 |
| Cash flow from operations | 43,207 | 67,332 |
| Net income tax paid | (988) | (1,421) |
| Interest received | 1,651 | 823 |
| Net cash from operating activities | 43,870 | 66,734 |
| CASH FLOW FOR INVESTING ACTIVITIES | | |
| Interest income received | 139 | 31 |
| Disposal of a subsidiary, net of cash and cash equivalent disposed of | 2,903 | 22,890 |
| Acquisition of a subsidiary, net of cash and cash equivalent acquired | (9,515) | (27) |
| Additional to right-of-used assets | (764) | - |
| Purchase of equipment | (1,027) | (625) |
| Development costs paid | (5,757) | (27,089) |
| Acquisition of investment property | (87,059) | (91,118) |
| Proceeds from disposal of other investment | 100 | - |
| Proceeds from disposal of investment property | - | 7,120 |
| Proceeds from disposal of property and equipment | 2 | 4,300 |
| Proceeds from disposal of right-of-use assets | - | 2,614 |
| Proceeds from disposal of subsidiary that does not involve loss of control | 14,000 | - |
| Proceeds from disposal of subsidiary | 4,000 | - |
| Net cash for investing activities | (82,978) | (81,904) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from exercise of Warrants | - | 6,659 |
| Proceeds from private placements | - | 11,687 |
| Share issuance expenses | - | (112) |
| Net movement of term loan | 2,398 | (42) |
| Net repayment of lease liabilities | (1,750) | (2,051) |
| Net cash from financing activities | 648 | 16,141 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (38,460) | 971 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 63,404 | 62,433 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | 1 <u>24,944</u> | <u>63,404</u> |
| | | 31 March 2024 |
| Note 1 | | RM'000 |
| Cash and Cash Equivalents at End of the Financial Period comprised: | | |
| Short-term investments | | 9,041 |
| Cash and bank balances | | 15,903 |
| | | <u>24,944</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 31 MARCH 2024

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
- 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.

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 121: Lack of Exchangeability

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 Cyclicalty 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.

| Listing Date | No. of shares issued resulting from |
|------------------|-------------------------------------|
| | Conversion of ICPS |
| 4 January 2024 | 104,000 |
| 17 January 2024 | 200,000 |
| 23 February 2024 | 280,000 |
| 4 March 2024 | 80,000 |
| Total | 664,000 |

As at 31 March 2024, the ICPS, Warrants B and Warrants C of the Company was 14,027,230, 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) (“IT and ICT Division”);
- (ii) Investment properties (“Property Investment Division”);
- (iii) Moneylending business (“Moneylending Business Division”);
- (iv) Plantation business, (“Plantation Business Division”);
- (v) Manufacturing and trading of clay bricks (“Manufacturing Division”); and
- (vi) Investment holding (“Investment Holding Division”).

Part A

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

| | IT and ICT Division RM'000 | Property Investment Division RM'000 | Moneylending Business Division RM'000 | Plantation Division RM'000 | Manufacturing Division RM'000 | Investment Holding Division RM'000 | Other Division RM'000 | The Group RM'000 |
|--|----------------------------------|--|--|----------------------------------|-------------------------------------|---|-----------------------------|---------------------|
| Current quarter ended 31 March 2024 | | | | | | | | |
| Revenue | | | | | | | | |
| External revenue | 18,302 | 10 | 1,716 | 768 | 3,571 | 572 | - | 24,939 |
| | <u>18,302</u> | <u>10</u> | <u>1,716</u> | <u>768</u> | <u>3,571</u> | <u>572</u> | <u>-</u> | <u>24,939</u> |
| Consolidation adjustment | | | | | | | | - |
| Consolidated revenue | | | | | | | | <u>24,939</u> |
| Results | | | | | | | | |
| Segment profit/(loss) | 41 | 6 | 1,527 | 209 | 102 | 100 | (3) | 1,982 |
| Interest income | 6 | - | 6 | - | - | - | - | 12 |
| Equipment written off | - | - | - | - | - | - | - | - |
| Interest expense | (2) | - | - | - | (58) | - | - | (60) |
| Interest expense - lease liability | (42) | - | (1) | - | - | - | - | (43) |
| Depreciation of property and equipment | (49) | (1) | (70) | (9) | (3) | (2) | - | (134) |
| Depreciation of property and equipment - ROU | (611) | - | (8) | (110) | (17) | - | - | (746) |
| Depreciation of investment properties | - | (5) | - | - | - | - | - | (5) |
| Loss on disposal of subsidiary | - | - | - | - | - | (325) | - | (325) |
| Loss on forex exchange | - | - | - | - | (1) | - | - | (1) |
| Reversal of bargain purchase gain on acquisition of subsidiary | - | - | - | - | - | (3,572) | - | (3,572) |
| Consolidated (loss)/profit before taxation | <u>(657)</u> | <u>-</u> | <u>1,454</u> | <u>90</u> | <u>23</u> | <u>(3,799)</u> | <u>(3)</u> | <u>(2,892)</u> |
| Tax expense | 253 | - | (337) | (112) | - | (46) | 1 | (241) |
| Consolidated (loss)/profit after taxation | <u>(404)</u> | <u>-</u> | <u>1,117</u> | <u>(22)</u> | <u>23</u> | <u>(3,799)</u> | <u>(3)</u> | <u>(3,133)</u> |
| Assets | | | | | | | | |
| Segment assets/Consolidated total assets | 24,679 | 178,179 | 55,656 | 34,008 | 36,960 | 10,746 | 10 | <u>340,238</u> |
| Liabilities | | | | | | | | |
| Segment liabilities/Consolidated total liabilities | 18,375 | 1,785 | 187 | 177 | 7,346 | 253 | 9 | <u>28,132</u> |

A9. Operating Segment Information (Cont'd)

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

| | IT and ICT Division RM'000 | Construction Division RM'000 | Property Investment Division RM'000 | Property Development Division RM'000 | Moneylending Business Division RM'000 | Plantation Division RM'000 | Investment Holding Division RM'000 | The Group RM'000 |
|---|----------------------------------|------------------------------------|--|---|--|----------------------------------|---|---------------------|
| Current quarter ended 31 March 2023 | | | | | | | | |
| Revenue | | | | | | | | |
| External revenue | 26,024 | - | 37 | (1,846) | 365 | 656 | 350 | 25,586 |
| Inter-segment revenue | - | - | - | - | - | - | 580 | 580 |
| | <u>26,024</u> | <u>-</u> | <u>37</u> | <u>(1,846)</u> | <u>365</u> | <u>656</u> | <u>930</u> | <u>26,166</u> |
| Consolidation adjustment | | | | | | | | (580) |
| Consolidated revenue | | | | | | | | <u>25,586</u> |
| Results | | | | | | | | |
| Segment results | 341 | (3) | 5 | (2,430) | (28) | 270 | (301) | (2,146) |
| Interest income | 4 | - | - | 2 | 1 | - | - | 7 |
| Equipment written off | - | - | - | - | - | - | 87 | 87 |
| Gain on disposal of property and equipment | - | - | - | - | - | - | 768 | 768 |
| Gain on disposal of investment property | - | - | 227 | - | - | - | - | 227 |
| Gain on disposal of subsidiary | - | - | - | - | - | - | 246 | 246 |
| Realisation of fair value arising from the acquisition of a subsidiary | - | - | - | (27) | - | - | - | (27) |
| Impairment losses on receivables | - | - | - | - | (718) | - | - | (718) |
| Impairment losses on goodwill | - | - | - | - | - | - | (5,764) | (5,764) |
| Depreciation of property and equipment | (103) | - | (2) | (2) | (69) | (9) | (3) | (188) |
| Depreciation of right-of-use assets | (455) | - | - | - | (15) | (110) | (13) | (593) |
| Depreciation of investment properties | - | - | (14) | - | - | - | - | (14) |
| Interest expense | - | - | - | (3,338) | - | - | - | (3,338) |
| Interest expense on lease liabilities | (320) | - | - | - | (3) | - | - | (323) |
| Consolidated (loss)/profit before taxation | <u>(533)</u> | <u>(3)</u> | <u>216</u> | <u>(5,795)</u> | <u>(832)</u> | <u>151</u> | <u>(4,980)</u> | <u>(11,776)</u> |
| Tax expense | (257) | - | (6) | 16 | (8) | (495) | - | (750) |
| Consolidated loss after taxation | <u>(790)</u> | <u>(3)</u> | <u>210</u> | <u>(5,779)</u> | <u>(840)</u> | <u>(344)</u> | <u>(4,980)</u> | <u>(12,526)</u> |

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 RM000 | Construction Division RM000 | Property Investment Division RM000 | Property Development Division RM000 | Moneylending Business Division RM000 | Plantation Division RM000 | Investment Holding Division RM000 | The Group RM000 |
|--|---------------------------------|-----------------------------------|---|--|---|---------------------------------|--|--------------------|
| Current quarter ended | | | | | | | | |
| 31 March 2023 | | | | | | | | |
| Assets | | | | | | | | |
| Segment assets/Consolidated total assets | 34,141 | 140 | 93,805 | 179,440 | 16,657 | 34,234 | 53,607 | <u>412,024</u> |
| Liabilities | | | | | | | | |
| Segment liabilities/Consolidated total liabilities | 26,472 | 6 | 10,288 | 87,400 | 79 | 675 | 181 | <u>125,101</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 21 May 2024, 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 on the Group.

A11. Changes in the Composition of the Group

Save as disclosed below, there were no other changes in the composition of the Group during current financial period under review.

On 22 January 2024, the Company had entered into a Share Sales Agreement with Classita Holdings Berhad to dispose 2,700,100 ordinary shares in Firstwide Success Sdn. Bhd. (“FSSB”) which represents the entire issued and paid-up share capital in FSSB for total cash consideration of RM2.5 million. The disposal was completed on 7 February 2024.

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 21 May 2024 (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 21 May 2024 (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 | 68,172 |
| | <hr/> |

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 31 March 2024 RM'000 | Preceding Year Corresponding Quarter 31 March 2023 RM'000 | Current Year To-date 31 March 2024 RM'000 | Preceding Year Corresponding Period 31 March 2023 RM'000 |
| Professional services charged by a related party | - | 11 | 27 | 44 |
| Rental charged by a related party | 3 | - | 3 | - |
| Key management personnel:- | | | | |
| - salaries and allowances | 152 | 268 | 603 | 1,353 |
| - defined contribution plans | 18 | 32 | 72 | 161 |
| - others | 1 | 1 | 2 | 5 |
| - fee | 45 | 78 | 241 | 320 |

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 |
| | 31.03.2024 RM'000 | 31.03.2023 RM'000 | % | 31.03.2024 RM'000 | 31.03.2023 RM'000 | % |
| Revenue by Division:- | | | | | | |
| IT and ICT | 18,302 | 26,024 | (29.7) | 79,402 | 126,111 | (37.0) |
| Property Investment | 10 | 37 | (73.0) | 67 | 247 | (72.9) |
| Moneylending Business | 1,716 | 365 | 370.1 | 2,831 | 1,924 | 47.1 |
| Plantation | 768 | 656 | 17.1 | 2,883 | 3,203 | (10.0) |
| Manufacturing | 3,571 | - | 100.0 | 3,571 | - | 100.0 |
| Investment Holding | 572 | 350 | 63.4 | 1,650 | 823 | 100.5 |
| Others | - | (1,846) | (100.0) | 139 | 548 | (74.6) |
| | 24,939 | 25,586 | (2.5) | 90,543 | 132,856 | (31.8) |
| (Loss)/Profit before taxation ("LBT"/"PBT") by Division:- | | | | | | |
| IT and ICT | (657) | (533) | (23.3) | (1,231) | (878) | (40.2) |
| Property Investment | - | 216 | (100.0) | 181 | 211 | (14.2) |
| Moneylending Business | 1,454 | (832) | 274.8 | 10,196 | (930) | 1,196.3 |
| Plantation | 90 | 151 | (40.4) | 635 | 1,336 | (52.5) |
| Manufacturing | 23 | - | 100.0 | 23 | - | 100.0 |
| Investment Holding | (3,798) | (4,980) | 23.7 | (6,407) | (247) | (2,493.9) |
| Others | (3) | (5,798) | 99.9 | (715) | (7,046) | 89.9 |
| | (2,891) | (11,776) | 75.5 | 2,682 | (7,554) | 135.5 |

Overall Performance

The Group's revenue for the current quarter as compared to the preceding year's corresponding quarter reported minor fluctuation of RM0.6 million (2.5%) decreased. IT and ICT Division continue to suffer from drop in revenue of RM7.7 million from Do-It-Yourself ("DIY") and Gadget products. While performance from newly acquired subsidiaries from Manufacturing division mitigated the unpleasant result by improving RM3.6 million revenue for the Group. At the same time, Money lending division continue to contribute positively by additional RM1.4 million revenue compared to the preceding year's corresponding quarter. Absent of the negative revenue from Property development division which classify under Others division is another factor of mitigating the drop in revenue.

The Group reported RM8.9 million improvement compared to the preceding year corresponding quarter mainly due to absent of impairment loss on goodwill and absent of loss from property development division which disposed during the financial year.

IT and ICT Division

Decline of revenue is mainly due to soft market demand in DIY and Gadget products.

The decline in revenue resulted directly to higher LBT for the reporting quarter.

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

With management effort of expanding the business in money lending division, revenue boosted to RM1.7 million during the reporting quarter.

With the higher revenue, PBT for money lending division increase by RM 2.3 million which included one-off impairment on trade receivable of RM 0.7 million in preceding year's corresponding quarter.

Plantation Division

Principal activities of the division is engaged in trading of Fresh Fruit Bunch ("FFB"). Revenue and PBT for both quarter under review are comparable.

Manufacturing Division

Principal activities of the division is engaged in manufacturing and sale of clay bricks and burnt clay products. The division contributed RM 3.6 million revenue and minor PBT to the Group.

Investment Holding Division

Slight increase in revenue for the reporting quarter is due to higher interest income earned.

LBT of RM 3.8 million is mainly due to reversal of bargain purchase on acquisition of subsidiaries over recognized in immediate preceding quarter.

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 31.03.2024 RM'000 | Immediate Preceding Quarter 31.12.2023 RM'000 | Changes % |
|--------------------------------|--|--|--------------------------------|
| Revenue by Division:- | | | |
| IT and ICT | 18,302 | 19,415 | (5.7) |
| Property Investment | 10 | 10 | 0.0 |
| Moneylending Business | 1,716 | 406 | 322.7 |
| Plantation | 768 | 836 | (8.1) |
| Manufacturing | 3,571 | - | 100.0 |
| Investment Holding | 572 | 120 | 376.7 |
| Others | - | - | 0.0 |
| | 24,939 | 20,787 | 20.0 |
| (LBT)/PBT by Division:- | | | |
| IT and ICT | (657) | (170) | (286.5) |
| Property Investment | - | (14) | 100.0 |
| Moneylending Business | 1,454 | 8,644 | (83.2) |
| Plantation | 90 | 305 | (70.5) |
| Manufacturing | 23 | - | 100.0 |
| Investment Holding | (3,798) | 12,510 | 130.4 |
| Others | (3) | (5) | 40.0 |
| | (2,891) | 21,270 | (113.6) |

Overall Performance

Increase of revenue for the reporting quarter mainly contributed by Manufacturing division and Money Lending division of RM 3.6 million and RM 1.3 million respectively.

Fluctuation of LBT mainly due to reversal of impairment loss of a trade receivable amounting to RM8.5 million and RM12.2 million from bargain purchase gain on acquisition of subsidiaries during immediate preceding quarter.

IT and ICT Division

Revenue for current reporting quarter is further decrease by RM 1.1 million.

Higher LBT is a direct impact from drop in revenue.

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

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

Fluctuation of bottom line was due to absent of reversal of impairment loss of a trade receivable amounting to RM8.5 million from immediate preceding quarter.

Plantation Division

Revenue fluctuation was due to higher FFB output by 354 metric ton.

The bottom line was directly impacted by the fluctuation of revenue.

Manufacturing Division

Principal activities of the division is engaged in manufacturing and sale of clay bricks and burnt clay products. The division contributed RM 3.6 million revenue and minor PBT to the Group.

Investment Holding Division

Revenue for the reporting quarter is due to higher interest income earned.

Fluctuation of LBT mainly due to reversal of impairment loss of a trade receivable amounting to RM8.5 million and RM12.2 million from bargain purchase gain on acquisition of subsidiaries during immediate preceding quarter.

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.

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B5. Tax Expense**

The tax expense is as follows:

| | Individual Quarter | | Cumulative Period | |
|---|---|---|---|---|
| | Current Year Quarter 31.03.2024 RM'000 | Preceding Corresponding Quarter 31.03.2023 RM'000 | Current Year To-date 31.03.2024 RM'000 | Preceding Year Corresponding Period 31.03.2023 RM'000 |
| Current tax expense: | | | | |
| - For the current financial period | (247) | (465) | (892) | (513) |
| - underprovision in the previous financial year | (1) | (271) | (20) | (282) |
| | <u>(248)</u> | <u>(736)</u> | <u>(912)</u> | <u>(795)</u> |
| Deferred tax expense: | | | | |
| - For the current financial period | 7 | (4) | 7 | 62 |
| - Underprovision in the previous financial period | - | (10) | - | (10) |
| | <u>7</u> | <u>(14)</u> | <u>7</u> | <u>52</u> |
| | <u>(241)</u> | <u>(750)</u> | <u>(905)</u> | <u>(743)</u> |

B6. Status of Corporate Proposals

There were no corporate proposals as at 21 May 2024 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

B7. 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 31.03.2024 RM'000 | As at 31.03.2023 RM'000 |
|--------------------|----------------------------|----------------------------|
| Current | | |
| Lease Liabilities | 4,882 | 6,308 |
| Term loan | <u>3,694</u> | <u>-</u> |
| | <u>8,576</u> | <u>6,308</u> |
| Non-Current | | |
| Lease Liabilities | 1,941 | 1,704 |
| Term loan | <u>755</u> | <u>-</u> |
| | <u>2,696</u> | <u>1,704</u> |
| Total | <u>11,272</u> | <u>8,012</u> |

B8. 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)

B9. 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.

B10. Dividends

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

B11. (Loss)/Earnings per Share

The basic (loss)/earning per share was calculated by dividing the (loss)/profit 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 31.03.2024 | Preceding Year Corresponding Quarter 31.03.2023 | Current Year To-date 31.03.2024 | Preceding Year Corresponding Period 31.03.2023 |
| Profit after taxation attributable to the owners of the Company (RM'000) | (2,625) | (12,535) | 2,385 | (8,298) |
| Weighted average number of ordinary shares in issue | 1,226,388,228 | 1,144,014,490 | 1,224,897,860 | 1,110,284,838 |
| Basic earnings per share (sen) | (0.21) | (1.10) | 0.19 | (0.75) |
| Diluted earnings per share (sen) | (0.21) | (1.10) | 0.19 | (0.75) |

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B12. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

| | Individual Quarter | | Cumulative Period | |
|--|--|---|--|--|
| | Current Year Quarter 31.03.2024 RM'000 | Preceding Year Corresponding Quarter 31.03.2023 RM'000 | Current Year To-date 31.03.2024 RM'000 | Preceding Year Corresponding Period 31.03.2023 RM'000 |
| Interest income | 584 | 356 | 1,790 | 854 |
| Interest expense | - | 3,338 | 500 | 3,338 |
| Interest expense on lease liabilities | 103 | 323 | 588 | 500 |
| Gain on disposal of investment properties | - | 227 | - | 279 |
| Loss/(Gain) on disposal of subsidiary | 141 | (246) | 15,183 | (6,179) |
| Loss on disposal of other investment | - | - | 184 | - |
| (Reversal)/Bargain purchase on acquisition of subsidiaries | (3,572) | - | 8,666 | - |
| Gain on disposal of property and equipment | 18 | 768 | 18 | 1,003 |
| Gain on disposal of right-of-use asset | - | - | - | 768 |
| Depreciation on property and equipment | 134 | 188 | 550 | 1,079 |
| Depreciation on right-of-use assets | 745 | 592 | 2,526 | 2,475 |
| Depreciation on investment properties | - | 14 | 45 | 142 |
| (Reversal)/Impairment loss on a trade receivable | - | 718 | (8,497) | 718 |
| Impairment loss on goodwill | - | 5,764 | - | 5,764 |
| Equipment written off | - | 87 | 13 | 87 |
| COVID-19 related rent concessions | - | - | - | 323 |
| Net realisation of fair value arising from the acquisition of a subsidiary | - | 27 | - | 336 |

B13. Authorisation for issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 28 May 2024.