

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2023

THE FIGURES HAVE NOT BEEN AUDITED

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		UNAUDITED CURRENT QUARTER ENDED	UNAUDITED COMPARATIVE QUARTER ENDED	UNAUDITED CUMULATIVE PERIOD TO DATE	UNAUDITED CUMULATIVE PRECEDING YEAR TO DATE
	Note	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
CONTINUING OPERATIONS					
REVENUE	A8	27,465	15,699	94,225	N/A
COST OF SALES		(13,369)	(6,025)	(38,994)	N/A
GROSS PROFIT		14,096	9,674	55,231	N/A
OTHER INCOME		2,363	155	7,839	N/A
OTHER OPERATING EXPENSES		(15,305)	(10,389)	(60,779)	N/A
PROFIT/(LOSS) FROM OPERATIONS		1,154	(560)	2,291	N/A
INTEREST INCOME		50	153	457	N/A
INTEREST EXPENSES		(620)	(809)	(3,793)	N/A
IMPAIRMENT LOSSES ON FINANCIAL ASSETS		(5,881)	-	(8,089)	N/A
FAIR VALUE LOSS ON MARKET SECURITIES		(3,963)	(5,133)	(8,386)	N/A
IMPAIRMENT LOSS ON INVESTMENT IN ASSOCIATES		(4,665)	-	(3,552)	N/A
IMPAIRMENT OF GOODWILL		-	-	(1,755)	N/A
GAIN ON DISPOSAL OF SUBSIDIARIES		-	-	4,773	N/A
SHARE OF LOSS ON INVESTMENT IN ASSOCIATE		1,830	(3,736)	(2,275)	N/A
LOSS BEFORE TAX		(12,095)	(10,085)	(20,329)	N/A
INCOME TAX EXPENSE	B6	(608)	(685)	(4,138)	N/A
LOSS FOR THE PERIOD		(12,703)	(10,770)	(24,467)	N/A
OTHER COMPREHENSIVE EXPENSES		-	-	-	N/A
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD		(12,703)	(10,770)	(24,467)	N/A
LOSS FOR THE PERIOD ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		(12,864)	(11,517)	(25,998)	N/A
NON-CONTROLLING INTEREST		161	747	1,531	N/A
		(12,703)	(10,770)	(24,467)	N/A
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		(12,864)	(11,517)	(25,998)	N/A
NON-CONTROLLING INTEREST		161	747	1,531	N/A
		(12,703)	(10,770)	(24,467)	N/A
Weighted average no shares ('000)		6,372,206	6,372,206	6,372,206	N/A
Basic LPS (sen)		(0.20)	(0.18)	(0.41)	N/A
Weighted average no shares ('000)		7,275,569	7,275,569	7,275,569	N/A
Diluted LPS (sen)		(0.18)	(0.16)	(0.36)	N/A

NOTE:

1. The financial year end has been changed from 31 December to 30 June for financial period 2022 and subsequently change to 30 September for financial period 2023. The last audited financial statements were for 18 months ended 30 June 2022. As such, there are no comparative figures for the year to date period ended 30 September 2023. Comparative figures for the comparative quarter ended are disclosed for reference purpose only.

2. The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for financial period ended 30 June 2022 and the accompanying explanatory notes to this Interim Financial Statements.

3. N/A represent not applicable.

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

THE FIGURES HAVE NOT BEEN AUDITED

	UNAUDITED AS AT 30/09/2023	AUDITED AS AT 30/06/2022
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	25,464	20,857
Rights-of-use assets	13,569	18,444
Investment in associates	12,463	18,692
Investment in quoted and unquoted shares	13,090	16,678
Prepaid expenses	94,506	34,779
Goodwill	88	88
	<u>159,180</u>	<u>109,538</u>
Current Assets		
Inventories	13,068	14,633
Trade receivables	2,419	9,450
Other receivables, deposits and prepayments	39,005	25,553
Amount due from associate	2,200	-
Amount due from related parties	-	847
Short-term investments	20	2,076
Current tax assets	1,740	8,313
Fixed deposits with licenced banks	13,098	2,940
Cash and bank balances	23,735	60,545
	<u>95,285</u>	<u>124,357</u>
TOTAL ASSETS	<u><u>254,465</u></u>	<u><u>233,895</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	218,640	218,640
Irredeemable convertible preference shares ("ICPS")	49,685	49,685
Reserve	(131,397)	(105,145)
	<u>136,928</u>	<u>163,180</u>
Non-controlling interest	2,951	1,420
Total Equity	<u>139,879</u>	<u>164,600</u>
Liabilities		
Non-Current Liabilities		
Lease liabilities	13,166	10,543
Deferred tax liabilities	195	198
	<u>13,361</u>	<u>10,741</u>
Current Liabilities		
Trade payables	24,719	5,293
Other payables and accruals	48,844	23,696
Provision for restoration costs	1,242	579
Amount due to associate	275	-
Amount due to joint venture	-	9
Amount due to related parties	12,099	17,510
Bank overdrafts	1,205	1,207
Lease liabilities	2,447	9,835
Term loan	10,000	-
Current tax liabilities	394	425
	<u>101,225</u>	<u>58,554</u>
Total Liabilities	<u>114,586</u>	<u>69,295</u>
TOTAL EQUITY AND LIABILITIES	<u><u>254,465</u></u>	<u><u>233,895</u></u>
Number of ordinary shares ('000)	6,372,206	6,372,206
Net assets per share attributable to ordinary equity holders of the Company (sen)	2.15	2.56

NOTES:

1. The financial year end has been changed from 31 December to 30 June for financial period 2022.
2. The financial year end has been changed from 30 June to 30 September for financial period 2023.
3. The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for financial period ended 30 June 2022 and the accompanying explanatory notes to this Interim Financial Statements.
4. Net assets per share is derived based on Focus Dynamics Group Berhad's consolidated net assets over the issued number of ordinary shares.

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2023

THE FIGURES HAVE NOT BEEN AUDITED

	-----Attributable to Owners of the Company----->				-----Non-distributable----->			Distributable
	Share Capital	Irredeemable Convertible Preference Shares	Warrant Reserve	Foreign Exchange Reserve	Accumulated Losses	Attributable to owner of the company Total	Non- Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
At 1 January 2021	99,563	108,857	389,126	(25)	(420,033)	177,488	940	178,428
Profit/(loss) for the period	-	-	-	-	(74,423)	(74,423)	440	(73,983)
Other comprehensive expenses for the period	-	-	-	210	-	210	-	210
Total comprehensive Income/(Expenses) for the period	-	-	-	210	(74,423)	(74,213)	440	(73,773)
Contributions by and distributions to owners of the Company:								
- Issue of shares	119,077	(59,172)	-	-	-	59,905	-	59,905
- Incorporation of subsidiaries during the period	-	-	-	-	-	-	40	40
Total transactions with owners	119,077	(59,172)	-	-	-	59,905	40	59,945
At 30 June 2022	<u>218,640</u>	<u>49,685</u>	<u>389,126</u>	<u>185</u>	<u>(494,456)</u>	<u>163,180</u>	<u>1,420</u>	<u>164,600</u>
At 1 July 2022	218,640	49,685	389,126	185	(494,456)	163,180	1,420	164,600
(Loss)/profit for the period	-	-	-	-	(25,998)	(25,998)	1,531	(24,467)
Other comprehensive expenses for the period	-	-	-	(254)	-	(254)	-	(254)
Total comprehensive (expenses)/income for the period	-	-	-	(254)	(25,998)	(26,252)	1,531	(24,721)
At 30 June 2023	<u>218,640</u>	<u>49,685</u>	<u>389,126</u>	<u>(69)</u>	<u>(520,454)</u>	<u>136,928</u>	<u>2,951</u>	<u>139,879</u>

NOTE:

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Audited Financial Statements for the financial period ended 30 June 2022 and the accompanying explanatory notes to this Interim Financial Statements.

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2023

	CUMULATIVE QUARTERS	
	UNAUDITED	AUDITED
	15 MONTHS ENDED	18 MONTHS ENDED
	30/09/2023	30/06/2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(20,329)	(71,829)
<u>Adjustments for:</u>		
Bad debts written off	1	-
Bargain purchase on investment in associate	-	(20,166)
Deemed loss on disposal of associate	-	17,873
Depreciation of property, plant and equipment ("PPE")	8,472	6,570
Depreciation of right-of-use assets ("RUA")	6,502	5,417
Dividend income	(1)	(41)
Fair value gain on short-term investment	-	(12)
Fair value loss on investment in quoted shares	8,386	22,051
Loss/(Gain) on disposal of PPE	7	(193)
Gain on disposal of RUA	(16)	(40)
Gain on disposal of investment in quoted shares	-	(2,496)
Gain on disposal of investment in quoted warrants	-	(2,530)
Gain on disposal of subsidiaries	(4,773)	-
Gain on lease liabilities written-off due to early termination	(1,683)	-
Impairment losses on:		
- trade receivables	-	109
- other receivables	10,024	110
- amount due from related parties	-	186
Impairment on investment in associates	3,552	40,710
Impairment on investment in unquoted shares	-	380
Impairment on goodwill	1,755	-
Interest expenses on lease liabilities	3,686	2,039
Interest expense	107	69
Interest income	(457)	(2,695)
Property, plant and equipment written-off	52	82
RUA adjustments	871	-
Reversal of Impairment losses on:		
- trade receivables	(1,935)	(82)
Share of loss on investment in associates	2,275	13,708
Unrealised foreign exchange gain	-	(643)
Waiver of debts	(2,615)	-
Operating profit before working capital changes	<u>13,881</u>	<u>8,577</u>
Decrease/(Increase) in Inventories	1,565	(2,889)
Increase in receivables	(15,702)	(23,363)
Increase in payables	56,655	6,519
Increase in amount due from associates	(2,209)	-
Decrease in amount due from joint venture	-	17
Decrease/(Increase) in amount due from related parties	848	(850)
Increase in amount due to associates	276	-
(Decrease)/Increase in amount due to related parties	(8,282)	5,614
Increase in amount due to joint venture	-	9
Cash generated from/(used in) operations	<u>47,032</u>	<u>(6,366)</u>
Interest received - other than fixed deposits	300	2,635
Interest paid	(108)	(69)
Income tax paid	(4,996)	(11,892)
Net cash generated from/(used in) operating activities	<u>42,228</u>	<u>(15,692)</u>

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIFTH QUARTER ENDED 30 SEPTEMBER 2023

	CUMULATIVE QUARTERS	
	UNAUDITED	AUDITED
	15 MONTHS ENDED	18 MONTHS ENDED
	30/09/2023	30/06/2022
	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of a subsidiary with non-controlling interest	412	40
Acquisition of RUA	-	(25)
Addition to prepaid expenses	(59,727)	(15,543)
Disposal of subsidiaries, net of cash and cash equivalents disposed off	5,676	-
Dividend income	1	41
Increased in pledged fixed deposits with licensed banks	(10,144)	(28)
Interest received - fixed deposits	161	60
Investment in associates	(3)	(81,707)
Investment in quoted shares	(4,516)	(9,481)
Proceeds from disposal of investment in quoted warrants	-	2,530
Proceeds from disposal of investment in quoted shares	-	7,302
Proceeds from disposal of PPE	7,917	236
Proceeds from disposal of RUA	95	100
Purchase of PPE	(24,544)	(15,664)
Net cash used in investing activities	<u>(84,672)</u>	<u>(112,139)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of term loan	(73)	-
Repayments of lease liabilities	(5,724)	(4,335)
Interest paid on lease liabilities	(3,713)	(2,039)
Drawdown of term loan	13,640	-
Proceeds from issuance of share capital	-	59,905
Net cash generated from financing activities	<u>4,130</u>	<u>53,531</u>
Net decrease in cash and cash equivalent	(38,314)	(74,300)
Cash and cash equivalent at beginning of period	62,904	137,194
Effect of foreign currency translation	(536)	(2)
Fair value gain on short term investments	-	12
Cash and cash equivalent at end of period	<u>24,054</u>	<u>62,904</u>
Cash and cash equivalent comprise:		
Cash and bank balances	23,735	60,545
Short-term investments	20	2,076
Fixed deposits with licensed banks	13,098	2,940
Bank overdraft	(1,205)	(1,207)
	<u>35,648</u>	<u>64,354</u>
Less: Fixed deposits pledged to licensed bank	(11,594)	(1,450)
	<u>24,054</u>	<u>62,904</u>

* Denotes amount below RM1,000

NOTES:

- The financial year end has been changed from 31 December to 30 June for financial period 2022 and subsequently change to 30 September for financial period 2023. The previous reporting financial period will be for a period of 18 months, made up from 1 January 2021 to 30 June 2022. As such, there are no comparative figures for the current fifteen months ended 30 September 2023. Comparative figures are disclosed for reference purpose only.
- The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial period ended 30 June 2022 and the accompanying explanatory notes to this Interim Financial Statements.

**Focus Dynamics Group Berhad (“Focus” or the “Company”)
(Registration No: 200201015261 (582924-P))
Interim Financial Report for the fifteen (15) months period ended 30 September 2023**

**PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING
STANDARD 134 (“MFRS 134”) INTERIM FINANCIAL REPORTING**

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards (“MFRSs”) No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements (“ACE Listing Requirements”) and should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“Group”) for the financial period ended 30 June 2022. These explanatory notes attached to the 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 30 June 2022.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial period ended 30 June 2022, except for the adoption of the following new Amendments to MFRSs issued by MASB, effective for the annual periods beginning on or after 1 July 2022:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)		Effective Date
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 112:	Income Taxes	1 January 2023
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

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 and the Company upon their initial application.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report for the audited financial statements of the Company and its subsidiaries for the financial period ended 30 June 2022 was not subject to any qualification.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business operational results are not materially affected by any major seasonal or cyclical factors.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

During the current quarter under review, there were no unusual items or events that affected the assets, liabilities, equity, net income or cash flows, to the effect that is unusual nature, size or incidence.

A5. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect on the current quarter and financial period-to-date results under review.

A6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayment of debt and equity securities during the current financial period.

A7. DIVIDEND DECLARED

No dividend has been declared or paid by the Company during the current quarter under review.

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A8. SEGMENT INFORMATION

Segment information is provided based on four (4) major business segments, i.e. investment holding, property investment and management, engineering services and food & beverage (“F&B”). Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the segments are presented under allocated expenses, assets and liabilities respectively.

Business segments in revenue and results of the Company and its subsidiaries (“Group”) for the current period to date ended 30 September 2023 are as follows:-

	←----- Results for 15 months ended 30 September 2023 ----->							
	Investment holding RM'000	Property investment and management RM'000	Engineering services RM'000	F&B RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidation RM'000
Revenue								
External revenue	-	-	-	94,224	1	94,225	-	94,225
Intersegment revenue	-	-	-	31,469	-	31,469	(31,469)	-
Total revenue	-	-	-	125,693	1	125,694	(31,469)	94,225
Results								
Segment results	(1,318)	(283)	80	4,143	(294)	2,328	(37)	2,291
Interest income	337	-	-	119	1	457	-	457
(Loss)/Profit from operations	(981)	(283)	80	4,262	(293)	2,785	(37)	2,748
Interest expenses	-	-	(69)	(3,752)	-	(3,821)	28	(3,793)
(Impairment)/Reversal of impairment losses on financial assets	(4,393)	-	-	2,840	-	(1,553)	(6,536)	(8,089)
Impairment loss on investment in associates	-	-	-	(3,552)	-	(3,552)	-	(3,552)
Fair value loss on market securities	-	-	-	(8,386)	-	(8,386)	-	(8,386)
Gain on disposal of subsidiaries	2,795	-	-	-	-	2,795	1,978	4,773
Impairment of goodwill	(1,755)	-	-	-	-	(1,755)	-	(1,755)
Share of loss in associates	-	-	-	(2,275)	-	(2,275)	-	(2,275)
(Loss)/Profit before taxation	(4,334)	(283)	11	(10,863)	(293)	(15,762)	(4,567)	(20,329)
Taxation	-	-	-	(4,138)	-	(4,138)	-	(4,138)
(Loss)/Profit for the period	(4,334)	(283)	11	(15,001)	(293)	(19,900)	(4,567)	(24,467)
Other information								
Bad debts written off	-	-	-	8,467	-	8,467	(8,466)	1
Depreciation of PPE	435	4	-	7,991	42	8,472	-	8,472
Depreciation of RUA	-	-	-	6,536	-	6,536	(34)	6,502
Gain on disposal of ROU assets	-	-	-	(16)	-	(16)	-	(16)
Loss on disposal of PPE	-	-	-	7	-	7	-	7
PPE written-off	-	-	-	52	-	52	-	52
Waiver of debts	-	-	-	(11,081)	-	(11,081)	8,466	(2,615)

	←----- Results for 15 months ended 30 September 2023 ----->							
	Investment holding RM'000	Property investment and management RM'000	Engineering services RM'000	F&B RM'000	Others RM'000	Total RM'000	Elimination RM'000	Consolidation RM'000
Assets and Liabilities								
Segment assets	159,706	103,108	1	142,667	4,469	409,951	(157,314)	252,637
Current tax assets	603	-	-	1,137	-	1,740	-	1,740
	160,309	103,108	1	143,804	4,469	411,691	(157,314)	254,377
Goodwill								88
Consolidated assets								254,465
Segment liabilities	9,481	101,441	2,182	249,091	2,865	365,060	(251,064)	113,996
Current tax liabilities	-	238	-	156	-	394	-	394
Deferred tax liabilities	-	-	-	195	-	195	-	195
Consolidated liabilities	9,481	101,679	2,182	249,442	2,865	365,649	(251,064)	114,585

* Denotes amount below RM1,000

Note:

1. The financial year end has been changed from 31 December to 30 June for financial period 2022 and subsequently change to 30 September for financial period 2023. The previous reporting financial period will be for a period of 18 months, made up from 1 January 2021 to 30 June 2022. As such, there are no comparative figures for the current 15 months ended 30 September 2023.

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A9. MATERIAL EVENTS

There is no significant event during the current quarter under review.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial period ended 30 June 2022.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There are no changes in the composition of the Group during the quarter under review, except for the following:

(a) New incorporation of wholly-owned subsidiaries

- (i) Ferria Sdn Bhd
- (ii) Bell Venture Sdn Bhd.

(b) New incorporation of associate companies

Focus Jumbo Sdn Bhd incorporated the following associate companies with 49% equity interest:

- (i) Sushi Qubey Sdn Bhd
- (ii) Everest Scenery Sdn Bhd

And Focus Supernova Sdn Bhd had acquired 49% equity interest of Sushi Mew Sdn Bhd.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets since the last financial period ended 30 June 2022.

A13. CAPITAL COMMITMENTS

Capital expenditure contracted and not provided for in the interim financial statements as at 30 September 2023 are as follows:-

	As at 30.09.2023
	RM
Construction of building	<u>36,360,618</u>

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**Focus Dynamics Group Berhad (“Focus” or the “Company”)
(Registration No: 200201015261 (582924-P))**

Interim Financial Report for fifteen (15) months period ended 30 September 2023

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER

	Individual Quarter Unaudited		Changes	
	Current quarter ended 30.09.2023 RM'000	Corresponding quarter ended 30.09.2022 RM'000	RM'000	%
Revenue	27,465	15,699	11,766	74.95
Gross profit	14,096	9,674	4,422	45.71
Loss before interest and tax	(11,525)	(9,429)	(2,096)	(22.23)
Loss before tax	(12,095)	(10,085)	(2,010)	(19.93)
Loss after tax	(12,703)	(10,770)	(1,933)	(17.95)
Loss attributable to ordinary equity holders of the parent	(12,864)	(11,517)	(1,347)	(11.70)

The Company changed its financial year end from 30 June to 30 September and therefore the current financial period will be for 15 months ended 30 September 2023. As such, there is no comparative figures for the current quarter for the 3 months ended 30 September 2023 and period to date for the 15 months ended 30 September 2023. However, for the purpose of reference, the Company provides hereunder the comparative for the period 1 July 2023 to 30 September 2023 compared against 1 July 2022 to 30 September 2022 for reference.

The Group recorded a revenue of RM27.465 million for the current financial quarter ended 30 September 2023 as compared to RM15.699 million in the previous year's corresponding quarter, representing an increase of RM11.766 million or 74.95%. This was mainly due to the increase in sales for the Food and Beverage (“F&B”) segment.

The Group registered a loss after tax (“LAT”) of RM12.703 million for the 3-month quarter ended 30 September 2023 as compared to LAT of RM10.770 million in the previous year's corresponding quarter. This was mainly due an impairment loss on investment on financial assets amounted to RM5.881 million, fair value loss on investment in quoted shares of RM3.963 million and impairment loss on investment in associates amounted to RM4.665 million in current quarter.

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B2. COMPARISON OF CURRENT QUARTER RESULTS WITH THE PRECEDING QUARTER

	Current quarter ended 30.09.2023 RM'000	Preceding quarter ended 30.06.2023 RM'000	Changes	
			RM'000	%
Revenue	27,465	17,551	9,914	56.49
Gross profit	14,096	11,509	2,587	22.48
Loss before interest and tax	(11,525)	(8,886)	(2,639)	(29.70)
Loss before tax	(12,095)	(7,293)	(4,802)	(65.84)
Loss Profit after tax	(12,703)	(8,591)	(4,112)	(47.86)
Loss attributable to ordinary equity holders of the parent	(12,864)	(8,634)	(4,230)	(48.99)

The Group recorded a revenue of RM27.465 million for the current financial quarter ended 30 September 2023 as compared to RM17.551 million in the preceding quarter representing an increase of RM9.914 million or 56.49%. This is mainly due to higher contribution from F&B segment on the retail and trading sales of wine.

The Group registered a LAT of RM12.703 million for the current quarter as compared to LAT of RM8.591 million in the preceding quarter due to impairment loss on investment on financial assets amounted to RM5.881 million, fair value loss on investment in quoted shares of RM3.963 million and impairment loss on investment in associates amounted to RM4.665 million in current quarter.

B3. COMMENTARY ON PROSPECTS

The Group continues to concentrate its management resources on its F&B segment and Property Investment segment, which we believe will provide positive medium term growth. On this note, management will:-

- (i) continue its diversification initiative to develop a mixed commercial development which will feature retail/ F&B lots, event hall, a Chinese restaurant, a seafood restaurant, a karaoke centre and car parks in a 5-storey building with a basement level to be erected on a piece of land next to TREC KL and the Tun Razak Exchange; and
- (ii) leverage on its existing F&B outlets, namely "Chaze", "LAVO", "Bounce", "Lavo Gallery", "FINCH", "Diao Yu Tai", 'The Lemon Tree', "Spark", "Sushi Mew", "Ferria", "Alva" and "Annabell" to further expand its F&B business including amongst others, opening of additional outlets or launching new F&B brands.

Besides these ventures, the Board is currently re-examining the Engineering Service Segment as its contribution has dwindled over the past few years. Nevertheless, this segment will be maintained in the short-term pending management's review of the segment's market condition.

The Board believes that the abovementioned initiatives in the F&B and property investment management should place the Group in a better position to further improve its financial performance in the near future.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast or profit guarantee.

B5. NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current quarter ended 30.09.2023 RM'000	Cumulative period-to-date 30.09.2023 RM'000
Loss for the period is arrived at after charging		
Bad debts written off	-	1
Depreciation of property, plant and equipment ("PPE")	1,725	8,472
Depreciation of Right of Use Asset ("RUA")	582	6,502
Fair value loss on investment in quoted shares	3,963	8,386
Loss on disposal of PPE	(37)	7
PPE written-off	-	52
Impairment loss on financial assets	5,881	8,089
Impairment loss on goodwill	-	1,755
impairment losses on investment in associates	4,665	3,552
Interest on lease liabilities	650	3,686
Interest expense	(30)	107
Share of loss on investment in associates	(1,830)	2,275
And after crediting		
Dividend income	-	1
Management fee	162	792
Interest income	50	457
Gain on disposal of RUA	-	16
Gain on lease termination	1	1,683
Gain on disposal of subsidiaries	-	4,773
Waiver of debts	-	2,615

B6. INCOME TAX EXPENSE

	Current quarter ended 30.09.2023 RM'000	Cumulative period-to-date 30.09.2023 RM'000
Deferred tax	-	57
Current tax	295	3,676
Share of associate's tax expenses	313	405
Tax Expense	608	4,138

B7. STATUS OF CORPORATE PROPOSAL

There is no outstanding corporate proposal for the current quarter under review.

B8. GROUP BORROWINGS

The details of the Group's borrowings as at 30 September 2023 and 30 June 2022 are as follows:

	As at 30.09.2023 RM'000	As at 30.06.2022 RM'000
Current		
Bank overdraft – secured	1,205	1,207
Term loan – secured	10,000	-
	<u>11,205</u>	<u>1,207</u>

The Group does not have any foreign borrowings as at the date of this report.

B9 LEASE LIABILITIES

	As at 30.09.2023 RM'000	As at 30.06.2022 RM'000
As at 1 July 2022/1 January 2021	20,378	5,426
Additions during the period	12,419	19,985
Adjustment due to lease modification	(1,176)	(698)
Termination of lease	(10,257)	-
Interest expense recognised in profit or loss	3,686	2,039
Repayment of principal	(5,724)	(4,335)
Repayment of interest expense	(3,713)	(2,039)
Balance	<u>15,613</u>	<u>20,378</u>

Analysed by:-

Non-current liabilities	13,166	10,543
Current liabilities	2,447	9,835
Balance	<u>15,613</u>	<u>20,378</u>

B10. MATERIAL LITIGATION

The Group does not engage in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this report.

B11. PROPOSED DIVIDEND

No dividend has been declared or paid during the current quarter under review and financial year-to-date.

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B12. EARNINGS PER SHARE**(a) Basic**

Basic loss per ordinary share is calculated by dividing the net loss for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	Individual quarter		Cumulative quarter	
	Current quarter 30.09.2023 RM'000	Comparative quarter 30.09.2022 RM'000	Cumulative period-to-date 30.09.2023 RM'000	Cumulative preceding year-to-date 30.09.2022 RM'000
Loss attributable to equity holders of the Company	(12,864)	(11,517)	(25,998)	N/A
Weighted average number of shares in issue ('000)	6,372,206	6,372,206	6,372,206	N/A
Basic loss per share (sen)	(0.20)	(0.18)	(0.41)	N/A

(b) Dilutive

For the purpose of calculating diluted loss per share, the net loss for the period attributable to the equity holders of the Company and the weighted average number of ordinary shares outstanding during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of Warrants and ICPS.

	Current quarter ended		Cumulative period-to-date	
	Current quarter 30.09.2023 RM'000	Comparative quarter 30.09.2022 RM'000	Cumulative period-to-date 30.09.2023 RM'000	Cumulative preceding year-to-date 30.09.2022 RM'000
Loss attributable to equity holders of the Company	(12,864)	(11,517)	(25,998)	N/A
Weighted average number of shares in issue (shares split and ICPS conversion and full exercise of ICPS and Warrants D) ('000)	7,275,569	7,275,569	7,275,569	N/A
Diluted loss per share (sen)	(0.18)	(0.16)	(0.36)	N/A

B.13 Status of the Rights Issue Proceeds

The status of the utilisation of the proceeds raised from the right issue of 2,044,266,042 ICPS at an issue price of RM0.055 per share together with 3,066,399,051 Warrants D amounting to RM112,434,632 as at 30 September 2023:-

	Revised proposed utilisation RM'000	Actual utilisation RM'000	Balance of proceeds RM'000	Time frame for the utilisation of proceeds RM'000
Construction works for the Arch ⁽¹⁾	50,238	42,832	7,406	2 December 2023
Renovations, fixtures and fittings for the Arch ⁽¹⁾	11,730	-	11,730	Within 3 months from Completion of the Arch
Working capital for the Arch ⁽¹⁾	4,488	-	4,488	Upon completion of the Arch
Working capital for the Group	6,000	6,000	-	Within 24 months
Acquisition and/or investment in other complementary F&B businesses	20,125	20,125	-	Within 24 months
Defraying expenses	630	630	-	Immediate
Investment in F&B business and working capital ⁽¹⁾	⁽¹⁾ 19,224	19,224	-	Within 24 months
	<u>112,435</u>	<u>88,811</u>	<u>23,624</u>	

Note:

(1) With reference to the Clause 6 on the utilisation of proceeds of the Circular dated 17 September 2020, If the actual funding requirement for The Arch is less than the budgeted amount of RM85.68 million, any surplus funds can be reallocated for the acquisition and/or investment in other complementary F&B businesses or working capital. Thus, the surplus funds have been reallocated for the investment in F&B businesses and working capital.

B14. AUTHORITY FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

By order of the Board

WONG YUET CHYN
Company Secretary