

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

THE FIGURES HAVE NOT BEEN AUDITED

		INDIVIDUAL QUARTER UNAUDITED CURRENT QUARTER ENDED	QUARTER UNAUDITED COMPARATIVE QUARTER ENDED	CUMULATIVE QUARTERS UNAUDITED CUMULATIVE PERIOD TO DATE	QUARTERS UNAUDITED CUMULATIVE PRECEDING YEAR TO DATE
	Note	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
CONTINUING OPERATIONS					
REVENUE	A8	22,088	16,276	22,088	N/A
COST OF SALES		(8,884)	(7,670)	(8,884)	N/A
GROSS PROFIT		13,204	8,606	13,204	N/A
OTHER INCOME		914	3,679	914	N/A
OTHER OPERATING EXPENSES		(13,083)	(11,065)	(13,083)	N/A
PROFIT FROM OPERATIONS		1,035	1,220	1,035	N/A
INTEREST INCOME		51	149	51	N/A
INTEREST EXPENSES		(842)	(1,039)	(842)	N/A
REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS		21	-	21	N/A
FAIR VALUE (LOSS)/GAIN ON MARKET SECURITIES		(1,701)	3,250	(1,701)	N/A
NET REVERSAL OF IMPAIRMENT LOSS ON INVESTMENT IN ASSOCIATES		6,977	-	6,977	N/A
SHARE OF (LOSS)/PROFIT ON INVESTMENT IN ASSOCIATE		(159)	2,238	(159)	N/A
PROFIT BEFORE TAX		5,382	5,818	5,382	N/A
INCOME TAX EXPENSE	B6	(745)	(1,251)	(745)	N/A
PROFIT FOR THE PERIOD		4,637	4,567	4,637	N/A
OTHER COMPREHENSIVE INCOME		-	-	-	N/A
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,637	4,567	4,637	N/A
LOSS FOR THE PERIOD ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		4,340	4,140	4,340	N/A
NON-CONTROLLING INTEREST		297	427	297	N/A
		4,637	4,567	4,637	N/A
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		4,340	4,140	4,340	N/A
NON-CONTROLLING INTEREST		297	427	297	N/A
		4,637	4,567	4,637	N/A
Weighted average no shares ('000)		6,372,206	6,372,206	6,372,206	N/A
Basic EPS (sen)		0.07	0.06	0.07	N/A
Weighted average no shares ('000)		7,275,569	7,275,569	7,275,569	N/A
Diluted EPS (sen)		0.06	0.06	0.06	N/A

NOTE:

1. The financial year end has been changed from 30 June to 30 September for financial period 2023. The last audited financial statements were for 15 months ended 30 September 2023. As such, there are no comparative figures for the period to date 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 September 2023 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 31 DECEMBER 2023

THE FIGURES HAVE NOT BEEN AUDITED

	UNAUDITED AS AT 31/12/2023	AUDITED AS AT 30/09/2023
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	24,671	24,289
Rights-of-use assets	15,565	16,534
Investment in associates	19,281	12,463
Investment in quoted and unquoted shares	11,353	13,090
Prepaid expenses	89,663	89,000
Goodwill	88	88
	<u>160,621</u>	<u>155,464</u>
PROFIT FROM OPERATIONS		
Current Assets		
Inventories	13,401	13,068
Trade receivables	2,627	3,997
Other receivables, deposits and prepayments	15,650	12,855
Amount due from associate	5,042	2,241
Amount due from related parties	372	418
Short-term investments	20	20
Current tax assets	2,331	1,739
Fixed deposits with licenced banks	13,174	13,098
Cash and bank balances	15,659	23,735
	<u>68,276</u>	<u>71,171</u>
TOTAL ASSETS	<u><u>228,897</u></u>	<u><u>226,635</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	(125,101)	(129,564)
	<u>143,224</u>	<u>138,761</u>
Non-controlling interest	(169)	(466)
Total Equity	<u>143,055</u>	<u>138,295</u>
Liabilities		
Non-Current Liabilities		
Lease liabilities	15,011	14,710
Amount due to a related party	4,738	4,738
Deferred tax liabilities	31	31
	<u>19,780</u>	<u>19,479</u>
Current Liabilities		
Trade payables	18,999	23,433
Other payables and accruals	16,071	13,875
Provision for restoration costs	1,179	1,242
Amount due to associate	300	278
Amount due to related parties	15,263	15,397
Bank overdrafts	1,204	1,205
Lease liabilities	2,027	3,037
Term loan	10,000	10,000
Current tax liabilities	1,019	394
	<u>66,062</u>	<u>68,861</u>
Total Liabilities	<u>85,842</u>	<u>88,340</u>
TOTAL EQUITY AND LIABILITIES	<u><u>228,897</u></u>	<u><u>226,635</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)	2.25	2.18

NOTES:

1. The financial year end has been changed from 30 June to 30 September for financial period 2023.
2. The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for financial period ended 30 September 2023 and the accompanying explanatory notes to this Interim Financial Statements.
3. 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 FIRST QUARTER ENDED 31 DECEMBER 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 July 2022	218,640	49,685	389,126	185	(494,456)	163,180	1,420	164,600
Profit/(loss) for the period	-	-	-	-	(24,165)	(24,165)	(1,886)	(26,051)
Other comprehensive expenses for the period	-	-	-	(254)	-	(254)	-	(254)
Total comprehensive Income/(Expenses) for the period	-	-	-	(254)	(24,165)	(24,419)	(1,886)	(26,305)
Contributions by and distributions to owners of the Company:								
- Issue of shares	-	-	-	-	-	-	-	-
PROFIT FROM OPERATIONS	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
At 30 September 2023	<u>218,640</u>	<u>49,685</u>	<u>389,126</u>	<u>(69)</u>	<u>(518,621)</u>	<u>138,761</u>	<u>(466)</u>	<u>138,295</u>
At 1 October 2023	218,640	49,685	389,126	(69)	(518,621)	138,761	(466)	138,295
(Loss)/profit for the period	-	-	-	-	4,340	4,340	297	4,637
Other comprehensive expenses for the period	-	-	-	123	-	123	-	123
Total comprehensive (expenses)/income for the period	-	-	-	123	4,340	4,463	297	4,760
At 31 December 2023	<u>218,640</u>	<u>49,685</u>	<u>389,126</u>	<u>54</u>	<u>(514,281)</u>	<u>143,224</u>	<u>(169)</u>	<u>143,055</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 September 2023 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 FIRST QUARTER ENDED 31 DECEMBER 2023

	UNAUDITED 3 MONTHS ENDED	AUDITED 15 MONTHS ENDED
	31/12/2023 RM'000	30/09/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	5,382	(22,505)
<u>Adjustments for:</u>		
Assignment of debts from former shareholders	-	(785)
Bad debts written off	-	1
Depreciation of property, plant and equipment ("PPE")	1,670	8,262
Depreciation of right-of-use assets ("RUA")	1,014	4,347
Dividend income	-	(1)
Fair value gain on short-term investment	-	(27)
Fair value loss on investment in quoted shares	1,701	8,386
Loss/(Gain) on disposal of PPE	(47)	(44)
Loss on lease modification (net)	-	433
Gain on disposal of joint venture	-	(585)
Gain on disposal of RUA	-	(16)
Gain on disposal of subsidiaries	-	(4,773)
Gain on lease liabilities written-off due to early termination	-	(1,419)
Impairment losses on:		
- trade receivables	-	3,945
- amount due from related parties	-	11
Impairment on investment in associates	1,071	2,030
Impairment on goodwill	-	3,109
Impairment loss on PPE	-	170
Impairment loss on prepaid expenses	-	7,130
Interest expenses on lease liabilities	717	3,019
Interest expense	125	261
Interest income	(50)	(462)
Products development expenditure written-off	-	813
Property, plant and equipment written-off	-	53
Reversal of Impairment losses on:		
- trade receivables	(21)	(69)
- amount due from joint venture	-	(2,156)
- products development expenditure	-	(813)
- investment in associates	(8,048)	-
Share of loss on investment in associates	159	4,202
Unrealised foreign exchange gain	-	(597)
Operating profit before working capital changes	<u>3,673</u>	<u>11,920</u>
Decrease/(Increase) in Inventories	(333)	1,821
Increase in receivables	(1,404)	14,290
Increase in payables	(1,282)	16,646
Increase in amount due from associates	(2,801)	(2,241)
Decrease/(Increase) in amount due from related parties	46	2,574
Increase in amount due to associates	22	278
(Decrease)/Increase in amount due to related parties	(1,153)	466
Increase in amount due to joint venture	-	(9)
Cash generated from/(used in) operations	<u>(3,232)</u>	<u>45,745</u>
Interest received - other than fixed deposits	14	300
Interest paid	(125)	(222)
Income tax paid	(712)	(5,361)
Income tax refunded	-	388
Net cash generated from/(used in) operating activities	<u>(4,055)</u>	<u>40,850</u>

FOCUS DYNAMICS GROUP BERHAD (Registration No: 200201015261 (582924-P))
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023

	UNAUDITED 3 MONTHS ENDED	AUDITED 15 MONTHS ENDED
	31/12/2023 RM'000	30/09/2023 RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of a subsidiary with non-controlling interest	-	(432)
Addition to prepaid expenses	(663)	(61,351)
Disposal of subsidiaries, net of cash and cash equivalents	-	5,616
Increased in pledged fixed deposits with licensed banks	(76)	(10,144)
Interest received - fixed deposits	36	162
Investment in associates	-	(3)
Investment in quoted shares	-	(4,517)
Proceeds from disposal of PPE	3,389	6,108
Proceeds from disposal of RUA	-	95
Purchase of PPE	(5,394)	(22,223)
Net cash used in investing activities	<u>(2,708)</u>	<u>(86,689)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of term loan	-	(39)
Repayments of lease liabilities	(754)	(3,670)
Interest paid on lease liabilities	(717)	(2,958)
Drawdown of revolving credit	-	10,000
Drawdown of term loan	-	3,640
Interest paid on term loan	-	(73)
Proceeds from issuance of share capital	-	-
Net cash generated from financing activities	<u>(1,471)</u>	<u>6,900</u>
Net decrease in cash and cash equivalent	(8,234)	(38,939)
Cash and cash equivalent at beginning of period	24,054	62,904
Effect of foreign currency translation	159	62
Fair value gain on short term investments	-	27
Cash and cash equivalent at end of period	<u>15,979</u>	<u>24,054</u>
Cash and cash equivalent comprise:		
Cash and bank balances	15,659	23,735
Short-term investments	20	20
Fixed deposits with licensed banks	13,174	13,098
Bank overdraft	(1,204)	(1,205)
	<u>27,649</u>	<u>35,648</u>
Less: Fixed deposits pledged to licensed bank	(11,670)	(11,594)
	<u>15,979</u>	<u>24,054</u>

* Denotes amount below RM1,000

NOTES:

- The financial year end has been changed from 30 June to 30 September. The previous reporting financial period was for a period of 15 months, made up from 1 July 2022 to 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 September 2023 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 three (3) months period ended 31 December 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 September 2023. 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 September 2023.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the financial period ended 30 September 2023, 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 101:	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	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 September 2023 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 31 December 2023 are as follows:-

	←----- Results for 3 months ended 31 December 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	-	-	-	22,088	-	22,088	-	22,088
Intersegment revenue	-	-	-	2,123	-	2,123	(2,123)	-
Total revenue	-	-	-	24,211	-	24,211	(2,123)	22,088
Results								
Segment results	(335)	(21)	15	1,454	(51)	1,062	(27)	1,035
Interest income	25	-	-	26	-	51	-	51
(Loss)/Profit from operations	(310)	(21)	15	1,480	(51)	1,113	(27)	1,086
Interest expenses	-	-	(15)	(939)	-	(954)	112	(842)
Reversal of impairment losses on financial assets	-	-	-	21	-	21	-	21
Fair value loss on market securities	-	-	-	(1,701)	-	(1,701)	-	(1,701)
Net reversal of impairment loss on investment in associates	-	-	-	6,977	-	6,977	-	6,977
Share of loss in associates	-	-	-	(159)	-	(159)	-	(159)
(Loss)/Profit before taxation	(310)	(21)	-	5,679	(51)	5,297	85	5,382
Taxation	-	-	-	(745)	-	(745)	-	(745)
(Loss)/Profit for the period	(310)	(21)	-	4,934	(51)	4,552	85	4,637
Other information								
Depreciation of PPE	87	1	-	1,567	15	1,670	-	1,670
Depreciation of RUA	-	-	-	1,141	-	1,141	(127)	1,014
Gain on disposal of ROU assets	-	-	-	(47)	-	(47)	-	(47)

	←----- Results for 3 months ended 31 December 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	141,583	98,526	1	160,243	4,517	404,870	(178,392)	226,478
Current tax assets	655	-	-	1,676	-	2,331	-	2,331
	142,238	98,526	1	161,919	4,517	407,201	(178,392)	228,809
Goodwill								88
Consolidated assets								228,897
Segment liabilities	9,527	104,005	2,172	261,135	2,966	379,805	(295,013)	84,792
Current tax liabilities	-	238	-	781	-	1,019	-	1,019
Deferred tax liabilities	-	-	-	31	-	31	-	31
Consolidated liabilities	9,527	104,243	2,172	261,947	2,966	380,855	(295,013)	85,842

Note:

1. The financial year end has been changed from 30 June to 30 September. The previous reporting financial period was for a period of 15 months, made up from 1 July 2022 to 30 September 2023. As such, there are no comparative figures for the cumulative 3-months period to-date ended 31 December 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 September 2023.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There are no changes in the composition of the Group during the quarter under review.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets since the last financial period ended 30 September 2023.

A13. CAPITAL COMMITMENTS

Capital expenditure as at 31 December 2023 are as follows:-

	As at 31.12.2023 RM'000
Approved and contracted for:	
Construction of building (The Arch)	<u>43,936</u>

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

Interim Financial Report for three (3) months period ended 31 December 2023

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. REVIEW OF PERFORMANCE

CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER

	Individual Quarter Unaudited		Changes RM'000 %	
	Current quarter ended 31.12.2023 RM'000	Corresponding quarter ended 31.12.2022 RM'000		
Revenue	22,088	16,276	5,812	35.71
Gross profit	13,204	8,606	4,598	53.43
Profit before interest and tax	6,173	6,708	(535)	(7.98)
Profit before tax	5,382	5,818	(436)	(7.49)
Profit after tax	4,637	4,567	70	1.53
Profit attributable to ordinary equity holders of the parent	4,340	4,140	200	4.83

The Company changed its financial year end from 30 June to 30 September and therefore, the previous financial period will be for 15 months, made up from 1 July 2022 to 30 September 2023. As such, there is no comparative figures for the cumulative 3-months period to-date ended 31 December 2023.

The Group recorded a revenue of RM22.088 million for the current financial quarter ended 31 December 2023 as compared to RM16,276 million in the previous year's corresponding quarter, representing an increase of RM5.812 million or 35.71%. This was mainly due to the increase in sales for the Food and Beverage (“F&B”) segment.

The Group registered a Profit after tax (“PAT”) of RM4.637 million for the 3-month quarter ended 31 December 2023 as compared to PAT of RM4.567 million in the previous year's corresponding quarter, representing an increase of RM0.70 million or 1.53%. This was mainly due to the improvement in gross profit for current quarter contributed from F&B segment.

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B2. COMPARISON OF CURRENT QUARTER RESULTS WITH THE PRECEDING QUARTER

	Current quarter ended 31.12.2023 RM'000	Preceding quarter ended 30.09.2023 RM'000	Changes	
			RM'000	%
Revenue	22,088	27,465	(5,377)	(19.58)
Gross profit	13,204	14,096	(892)	(6.33)
Profit/(Loss) before interest and tax	6,173	(11,525)	17,698	153.56
Profit/(Loss) before tax	5,382	(12,095)	17,477	144.50
Profit/(Loss) Profit after tax	4,637	(12,703)	17,340	136.50
Profit/(Loss) attributable to ordinary equity holders of the parent	4,340	(12,864)	17,204	133.74

The Group recorded a revenue of RM22.088 million for the current financial quarter ended 31 December 2023 as compared to RM27.465 million in the preceding quarter, representing a decrease of RM5.377 million or 19.58%. This is mainly due to lower contribution from F&B segment on the retail and trading sales of wine.

The Group registered a PAT of RM4.637 million for the current quarter as compared to loss after tax of RM12.703 million in the preceding quarter mainly due to the following:

- (i) fair value loss on investment in quoted shares decreased from RM3.963 million for preceding quarter to RM1.701 million for current quarter; and
- (ii) a net reversal of impairment loss on investment in associates of RM6.977 million for current quarter as compared with impairment loss on investment in associates amounted to RM4.665 million for preceding 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", "Sushi Qubey", "Feria", "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 31.12.2023 RM'000	Cumulative period-to-date 31.12.2023 RM'000
Profit for the period is arrived at after charging		
Depreciation of property, plant and equipment ("PPE")	1,670	1,670
Depreciation of Right of Use Asset ("RUA")	1,014	1,014
Fair value loss on investment in quoted shares	1,701	1,701
Interest on lease liabilities	717	717
Interest expense	125	125
Share of loss on investment in associates	159	159
And after crediting		
Management fee	192	192
Interest income	50	50
Gain on disposal of PPE	47	47

B6. INCOME TAX EXPENSE

	Current quarter ended 31.12.2023 RM'000	Cumulative period-to-date 31.12.2023 RM'000
Deferred tax	-	-
Current tax	745	745
Share of associate's tax expenses	-	-
Tax Expense	745	745

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 31 December 2023 and 30 September 2023 are as follows:

	As at 31.12.2023 RM'000	As at 30.09.2023 RM'000
Current		
Bank overdraft – secured	1,204	1,205
Term loan – secured	10,000	10,000
	<u>11,204</u>	<u>11,205</u>

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

B9 LEASE LIABILITIES

	As at 31.12.2023 RM'000	As at 30.09.2023 RM'000
As at 1 October 2023/1 July 2022	17,747	20,378
Acquisition of a subsidiary	-	603
Additions during the period	45	12,892
Adjustment due to lease modification	-	(490)
Adjustment due to early termination	-	(12,027)
Interest expense recognised in profit or loss	717	3,019
Repayment of principal	(754)	(3,670)
Repayment of interest expense	(717)	(2,958)
Balance	<u>17,038</u>	<u>17,747</u>

Analysed by:-

Non-current liabilities	15,011	14,710
Current liabilities	2,027	3,037
Balance	<u>17,038</u>	<u>17,747</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	Comparative quarter	Cumulative period-to-date	Cumulative preceding period-to-date
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Profit attributable to equity holders of the Company	4,340	4,140	4,340	N/A
Weighted average number of shares in issue ('000)	6,372,206	6,372,206	6,372,206	N/A
Basic earnings per share (sen)	0.07	0.06	0.07	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	Comparative quarter	Cumulative period-to-date	Cumulative preceding period-to-date
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Profit attributable to equity holders of the Company	4,340	4,140	4,340	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 earnings per share (sen)	0.06	0.06	0.06	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 31 December 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	49,754	484	2 December 2024
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>95,733</u>	<u>16,702</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